

RETAILERS POLLED ON LOCAL MFR. IMPACT

formerly Merchandising Week

A BILLBOARD PUBLICATION

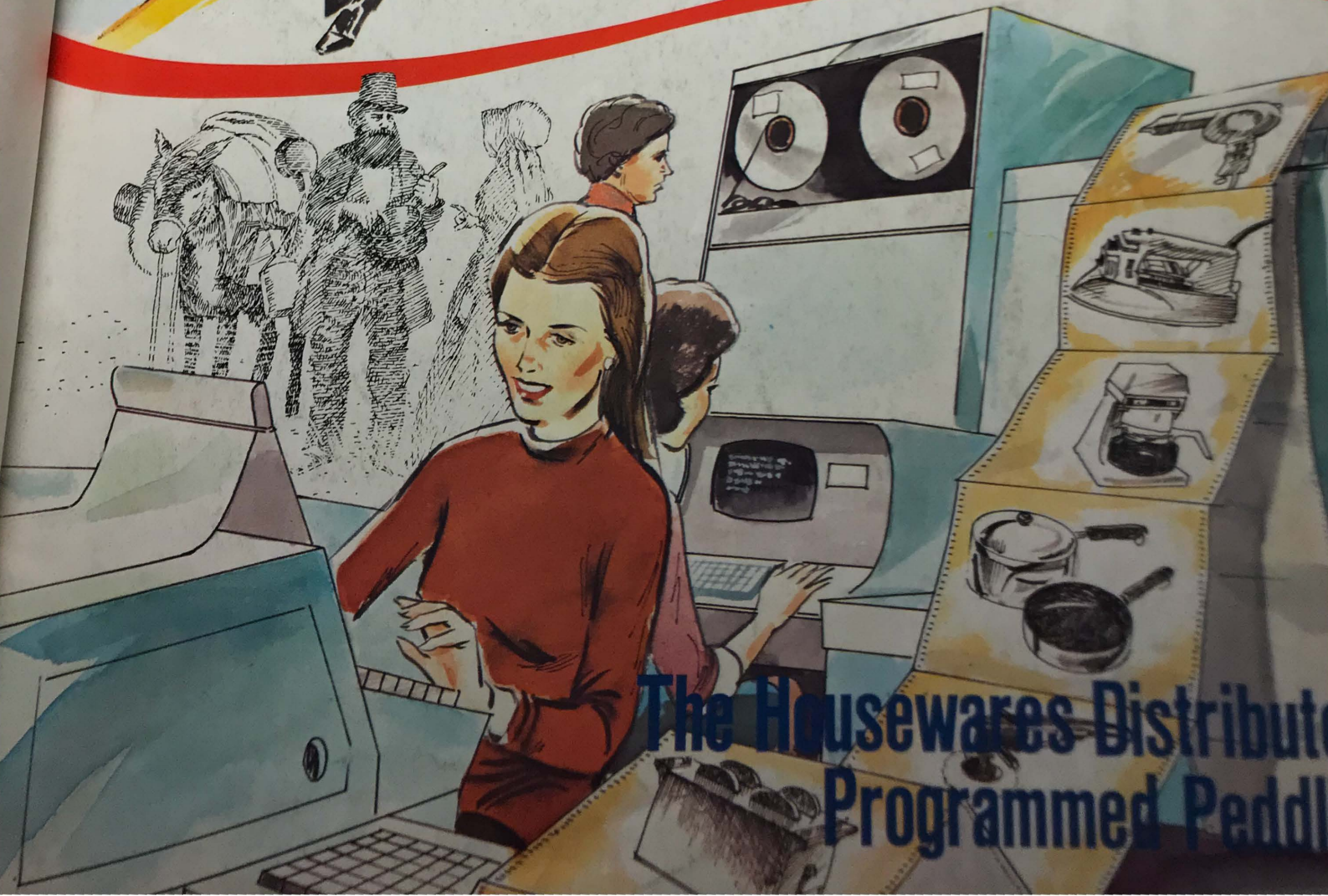
JANUARY, 1977 \$10.00

Merchandising

— THAN TODAY ON ITS MIND

HIFI COMERS

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over other sizes, retailers and manufacturers concur.

Color tv pricing at retail should continue to be highly competitive, at least through Washington's Birthday. Many merchants feel that by this time, manufacturer promotional activity will be over, prices will revert to a higher level and consumers will feel more secure in investing in high-ticket items.

Along these lines, 1977 will see the expansion of the home videocassette recorder/player industry as other firms join Sony in developing this new market.

Retailers are enthusiastic about selling VTR, and there should be heavy advertising from manufacturers designed to woo consumers.

The volatile tv games business is expected to expand in the early months of 1977, according to manufacturers, with the introduction of new dedicated action games at lower price points. Most retailers, however, still view games as basically a fourth-quarter item and plan to buy conservatively at the start of the year. Neither do they intend to "go overboard" at first when it comes to buying microprocessor-based games, called by producers "the direction of the future."

After the confusion of the last six months, the citizens band radio market will need most of the first half to sort itself out, manufacturers predict. Both 40- and 23-channel transceivers are expected to move, however.

Although CB is viewed as a steady product category, cautious retailers say they do not plan to inventory the 40-channel units as aggressively as they did 23-channel sets, anticipating a round of price cuts similar to that experienced last year. Forty-channel units will see a barrage of manufacturer-mounted advertising.

Digital clock models will continue as the leading growth area in radio, with electronic LED readout units making the biggest strides. Manufacturers point to lower price points as a major factor in the expansion of this market.

Console stereo could be in for a revivification with 8-track record and new cabinetry styling catching consumer interest. Shorter units in the 32 to 55-in. size range will continue to take over the market.

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Channel F is here and now.



FAIRCHILD VIDEO ENTERTAINMENT SYSTEM

auto electronics retailers purchase products through independents 77% of the time.

For home electronics, often for respondents

New CHANNEL F. It's the one with all the features.

The world's most advanced fun is here and now. The Fairchild Video Entertainment System. We call it Channel F. You'll call it incredible.

Channel F. With the 9 winning features players want most. Channel F is designed with 9 key features to give players a playing edge.

And give you the *selling* edge. Performance features like true chromatic on-screen color. Freeze action. Speed options. Time limit control. Automatic on-screen scoring and timekeeping.

Quality features like built-in, battery-free AC performance. And convenient one-time TV connection. Action features like supercharged hand controllers with eight-way control.

And the most astonishing feature of all—instant plug-in cartridges that play a limitless choice of games.

Channel F. With the one playing advantage no ordinary video game can beat.

For sheer fun, thrills and action, no ordinary video game playing today can match Channel F.

Because no *dedicated* game can do what *programmable* Channel F can do.

Change cartridges. And change *games*.

Every Channel F cartridge plays different exciting games—up to four per cartridge.

So whenever a player wants a change of pace, he can switch instantly to another game.

Or play cards. Draw pictures. Match wits with a computer. Write messages. And much more.

Because with all the action available on Channel F cartridges today, there's always more on the way.

Channel F. Without it, you're out of the game.

Channel F is the one that has it all.

More features. More playing fun. Plus more advertising, promotion and sales support by Fairchild.

All for *more sales, more total profit dollars* for you. New Channel F.

If you want to win in video entertainment today, it's the only way to play the game.

It's the one that gives you the whole picture.

In color. On color sets, Channel F™ plays games in bright, chromatic color. *True* color—not a drab color haze. And on black & white TV sets, Channel F plays crisp black & white games. You can't see the difference here. But you can't miss it when you play.

It's the one that always tells you the score.

Because Channel F has a built-in scorekeeper and timekeeper, players always know the score. And the time left to play. If you want to call time out or switch to regular TV programming, you can freeze the action and come back later. Or change the playing speed. You're in command.

It's the one that doesn't treat you like a kid.

Channel F is a high-performance electronic video system, not a toy. So it operates with an AC adaptor on standard household current, not batteries. Which means there are no batteries to buy. Or wear out. No kidding.

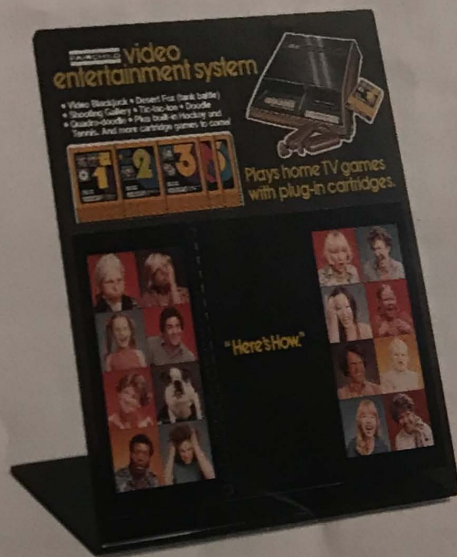
It's the one that lets you name the game. Take your choice. You can play the fast-moving hockey and tennis built into the Channel F console. Or plug in a Channel F Videocart™ cartridge and play any exciting electronic game—up to four per cartridge.



It's the one that's set for action any time. Because Channel F comes with a special antenna switch, you don't have to reconnect Channel F with your TV every time you want to play. Just switch from "TV" to "Games"—and you're always set to go.

It's the one that puts total power in your hands. Channel F hand controllers are supercharged for *eight-way* control of the on-screen action. Push the controller forward. Pull back. Pull right. Pull left. Twist right. Twist left. Pull up. Push down—eight fast-moving ways to play.

All by Fairchild.

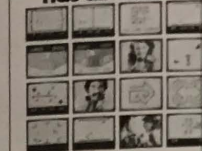


Fairchild promotion is here and now. Displays. Buttons. Posters. Decals. Promotion suggestions and fast traffic builders—they're all set when you are.

Fairchild dealer advertising is here and now. In the months ahead, a powerful schedule of TV and advertising will put Channel F in the national news. And with Channel F's powerful Co-op Ad Program, dealers can make local news today. Each order earns a full 3% co-op allowance.

Fairchild sales training and merchandising is here and now. Our unique merchandising team of 40 trained sales experts is available now to help you with training seminars, in-store demonstrations, local advertising and promotion.

New CHANNEL F has all the fun.



Just change cartridges for dozens of games.
CHANNEL F
STORE NAME

New CHANNEL F is here and now.



Just change cartridges for dozens of games.
CHANNEL F
STORE NAME

Fairchild dealer profit is here and now. Channel F is more than fun to play—it's fun to sell. You get a combination of a big video system, good dealer margins and add-on cartridge sales potential for years to come. Which means every system you deliver more dollar volume—with more dollar profit to you.

Fairchild delivery. Our commitment is here and now. Because Fairchild is the first to deliver programmable entertainment systems, we're building our production rapidly as we can take your order at the earliest possible date. And in the future, we pledge to keep you ahead—in production, leadership, dealer support and delivery.

How to sell the Fairchild video entertainment system.



Just plug it in and play it.

Fairchild information is here and now. For instant information call toll-free (800) 227-9990. In California, call (800) 982-5880. Or write to: Fairchild Consumer Products, 4001 Miranda Ave., Palo Alto, CA 94304.

CHANNEL F TM
FAIRCHILD VIDEO ENTERTAINMENT SYSTEM

Opinion

No matter how much you hear about the services from independent manufacturers' representatives, the talk about "gains" remains most retail. And perhaps even that despite the grating their distribution "cellent" and only.

These are but a month's Opinion in which distribution to the retail from a random sample of readers.

A majority—63%—of electronics, audio, high fidelity retailers through independent distributors rather than manufacturer.

Housewares with details on house story (pp.135-142).

Contrary to the retailers purchase 92% of the response product in this market.

Another high is being held by tailors polled.

Do you purchase manufacturer's representative or

Products

Major appliances

Home electronics

Auto electronics

(including calculators)

Calculators

High fidelity

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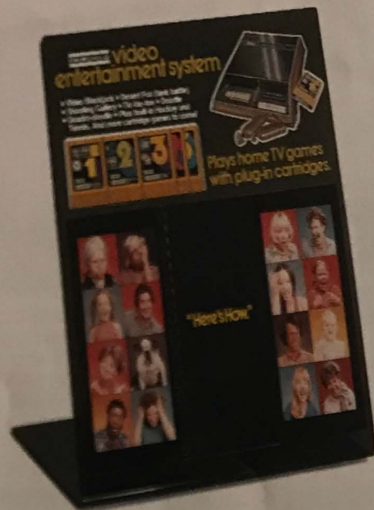
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Printed in U.S.A.

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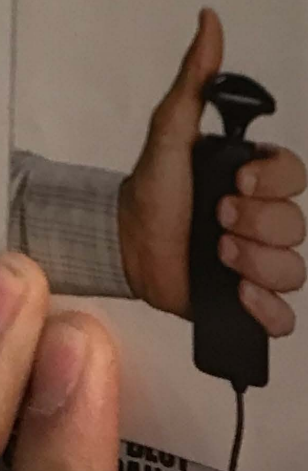
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No matter about the ser from indeper turers' repres the talk about mains most And perhaps that despite t rated their di cellent" and These are month's Opin in which dist tion to the r from a random tail readers.

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Houseware details on ho story (pp.135-

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duction in early 1977.
Dubbed "Piggy Back," the configura-
tion may spearhead a broader line of
combination units later on, according
to a spokesman.

In addition, the company plans to
"phase out of the underdash business
and concentrate future efforts on in-
dash product" as well as its sizable
custom business, particularly bulk and
packaged speaker sales.

Fairchild to present dedicated action game

NEW YORK—A dedicated action tv
game may be introduced this year by
Fairchild Camera and Instrument, ac-
cording to a spokesman for the com-
pany.

Fairchild's Video Entertainment
System, now being marketed, uses re-
placeable game cartridges.

"We see the game industry as two
separate markets," said the spokes-
man, a toy category and the higher-
end and microprocessor-based pro-
grammable systems.

Whirlpool, Sanyo get O.K. on Warwick deal

BENTON HARBOR, Mich.—
Whirlpool Corp. and Sanyo Electric
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units, contingent on such major factors as the economy and strength of confidence.

be much steadier than 1976," said president-consumer electronics "We expect to see good business—a use—but no miracles."

Stone, vice president of market- Electronics Co.: "The industry and we look for greater stability projects "the first quarter starting previous years."

uring of price points is not expected, although selective increases by manufacturers. For example, onic would initiate "slight price ers by mid-year.

Fisher, president, Zenith Sales president-sales and marketing, ated:

real possibility of significant in the months ahead. Tough are expected to continue in sures from lower priced im- ortable and table model cate-

l vice president-marketing, A, said: "We do not expect day's business climate."

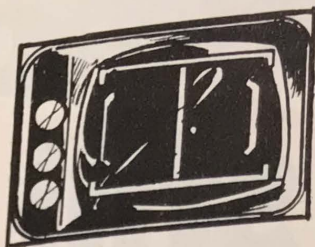
will be good but competi- cutive vice president, Hi- ca, noted, "I don't see how any price increases until

able business in the first ented James Haley, vice inment products group, es "fairly stable pricing" on reflection, "we (man- one-way track trying to

g into the New Year s than they would pre- be strong.

navox's 22nd Annual le Days," highlighting s beefed-up merchan- in several distributor tacular"; RCA's na- promotionally-priced ee of the latter new ceivers will be high-

strong in the first , "the replacement and rei-



TV Games

A higher degree of consumer awareness will boost electronic tv game sales in the first half of 1977 vs. the comparable period a year ago. Although still viewed as a seasonal, fourth-quarter product, the introduction of new dedicated action games at lower manufacturer price points, reflected at retail, is expected to expand the market in the early months.

But more companies entering the games arena, continued price erosion and possible overproduction remain industry concerns.

Commented Kenneth Ingram, senior vice president-sales and marketing, Magnavox Consumer Electronics Co.: "In the long run, the market will stabilize, but in the short run, there will be a lot of people getting into it who are going to be very disappointed." Ingram predicts "heavy overproduction in early 1977 from the uninformed who don't know the market. They are going to find a lot of product around at the wrong time of year. Tv games will be a market in turmoil for a few years," he concluded.

While most major manufacturers plan to introduce microprocessor-based programmable games in 1977, the bulk of these is not expected to appear until the second half. Sales, producers concur, will be basically software-dependent, with video games' "heavy users" those consumers anticipated to opt for available programmable systems in the first six months.

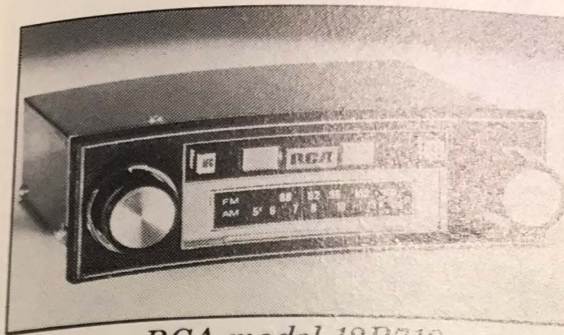
"It's certainly the direction of the future—but not yet," said Michael Shea, director of marketing-consumer products, Atari, Inc., commenting on the microprocessor units. "We don't see this type of game doing anything great for the next nine months."

Atari, which is expected to debut a programmable game attachment in the spring, will be promoting a new 10-game version of Super Pong during the first half.



VTR

Product Picture



RCA model 12R710

RCA

CAMDEN, N.J.—Eight new CB radios are offered by RCA's Distributor and Special Products division.

The models range from the 40-channel 14T260, priced at under \$150, to the 14T302, a single sideband model, at about \$300.

Forty-channel mobile model 14T275, approximately \$200, features a concealed chassis and all controls contained in the microphone. A 40-channel base station, model 14T303, has a suggested retail of about \$250. The introductions also include a 40-channel AM-FM-CB in-dash model, about \$250.

The company stated that, at press time, some of the new units had not received FCC approval but declined to name them.

RCA also debuts two universal in-dash car radios including model 12R710 AM/FM/MPX radio with stereo-8 player at \$124.95 and model 12R210 with cassette tape player for \$149.95.

In addition, the division has been granted FCC approval in its black-and-white programmable video game, Studio II.

The unit features five built-in games, including bowling and a math puzzle, as well as plug-in cartridges.

Soundesign

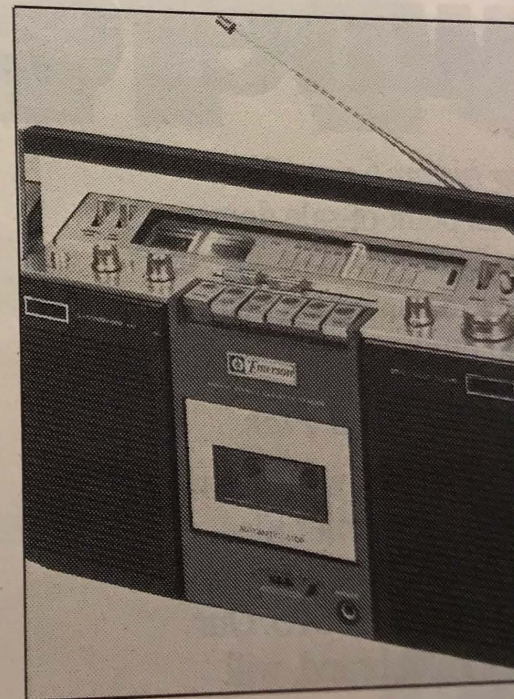
JERSEY CITY, N.J.—Soundesign Corp. presents two 32-in. Mediterranean-styled console stereos in peach finish. The 32-in. length is new to the company's line.

Model S3201PR, at \$229.95, features 8-track play and record; the D3201P, with 8-track play only, has a suggested retail tag of \$199.95.

Soundesign is also premiering a new line of vertical-design stereo consoles, ranging in price from \$165-\$279.

The three units feature BSR turntables, and each has a walnut-grain vinyl veneer cabinet with door plus sculptured foam grille.

Model 57AB1, with AM, FM and FM-Stereo, at \$279, has 8-track play and record and slide controls for volume, balance, bass and treble; the 47ABL, \$245, also with slide controls features AM, FM, FM-Stereo and 8-track play; model 45AB1 plays AM



Emerson model CTR 700

tions, at \$299.95.

All but the leader mobile and other models in the new 40-c-

138XLR, \$179.95;
132XLR, \$279.95.
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Rockwell's LCX printer

sign key and floating minus sign for negative amounts.

Rockwell also debuts two hand-held units including model 18T memory-percent calculator and model 20T four-key addressable memory, percent unit.

changer for
car mounting



G-320

Atari

SUNNYVALE, Calif.—Super Pong-10 from Atari, Inc. features 10 electronic tv games for up to four players at a suggested retail of \$79.95.

Also new is a “music visualizer” that attaches to both stereo and tv receiver to produce kaleidoscopic light patterns with music. No price was available at press time. →

formerly Merchandising Week

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PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY

FEBRUARY, 1977 \$10.00

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Some are dropping brands whose delays in parts' ship-
ments last year caused problems.

Nineteen seventy-seven has brought the introduc-
tion of more in-dash CB combination units, but many
retailers feel it will take about 18 months for this con-
figuration to even begin to take over from under-dash
models. What is needed for consumers to opt to re-
place current car radios with CB combos, they say, is
for CB to become as popular as FM radio. It is ob-
served, however that the debut of a good AM-FM-
CB-tape "price point package" could hypo sales ear-
lier.

Television games will rise in sales during the period
before Easter as opposed to a year ago, retailers fore-
cast, citing increased consumer exposure to this prod-
uct area.

But the high volume will be accomplished by lower
prices, as competition becomes stiffer among the
many producers who have forayed into the field. "The
market has changed drastically," said one buyer. "We
have our choice of suppliers now and there are lots of
deals around."

Here, too, many merchandisers are striving to go
with suppliers willing to offer price protection.

While retailers concur that the future of video
games lies in programmable models, some warn that
their takeover of the market could be delayed by the
increasing price differential between these and dedi-
cated chip units.

"If prices go up too much," cautioned a merchan-
dise manager, "it will be difficult to go full bore with
programmables."

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Maxine B. Carroll, buyer for fine jewelry, May Department Stores, Denver, saw more sales developing in LCDs and also said her store would be focusing "more on fashion rather than price."

Bernard Osloff, president, May Merchandising Corp., New York, eyed the potential for tv games and printing calculators.

Video games were touted by officials of two Chicago chains, Polk Bros. and Community Family Centers.

A Chicago area catalog showroom operator, **Bob Knill**, who heads the three-unit Robertson & Ruth operation out of Elmhurst, Ill., saw continued strength for video games, notably in the \$39.95 area; and gaining strength for LCD watches, because of their longer battery life relative to LEDs, with the \$20-\$30 price category coming on.

Jay A. Caplan, Personics, Baltimore, noted the growth of novelty telephones, in the \$70-\$80 range, as well as new 40-channel fCBs.

Audio specialist **Tom Cathey**, owner of Sound & Diversions, Lansing, Ill., said he was concentrating increasingly on speakers. "I can't

Video

VIDEO—Panelists: Charles Dolk, Magnavox Co.; Ed Garland, Toshiba America, Inc.; Joe Keenan, Atari, Inc.; Jerry McCarthy, Zenith Radio Corp.; Norman Schnell, General Electric.

McCarthy: "We're looking for an industry-wide 8.4-8.5 million level in color tv sales, with little change in pricing. . . . The replacement market looms larger and larger every year. Zenith is looking at the game business . . . Second and third generation games are more viable. Zenith is also looking quite heavily into VTR . . . It looks better than we originally thought."

Schnell: "There will be more digital readouts, electronic tuning, increased reliability and more features like GE's VIR tuning in tv. We have no plans this year for tape or disc recorders, but we think the disc is the way to go for mass marketing, rather than tape."

Keenan: "Our best guess is 3.5 to 4 million video games sold in 1976 . . . They will outsell receivers in 1977, close to 10 million units. You'll see full lines at the summer show, from four-game promotional units to programmable cartridge types."

Dolk: "Video game cartridges will be sold like records and tapes. . . . We haven't received one complaint on tv screen damage from games. . . . VTR is accepted at \$1,000 by what I call the impatient innovators who want to be first with anything new. . . . At \$700 to \$900, the volume could be significant. Magnavox will be testing a videodisc unit in the fourth quarter, priced about console color tv."

Garland: "The problem is to get a disc that works. There's so much involved . . . And there's no compatibility. The worst thing about our industry is that we delude ourselves that the profit answer is just around the corner with new products. VTR may be like Gillette, giving away the razors and selling the blades."

Citizens band

CITIZENS BAND—Panelists: Morris

Davis: "There's a definite place for CB with mass merchants, but consumers are not that knowledgeable about CB and we feel that the specialty dealer will be as important more important in the future."

Andros: "You will see CB moving into the hardware industry and sporting goods industry . . . there will be a very, very broad range of channels in the coming years who survive in the market will be effective producers."

Adato: "While we are very active we have to address ourselves to the question in not getting too far away from ourselves in transceiver products. At the same time, we have enough in the industry so that we are no longer in a boom-or-bust situation . . . the market is stabilizing."

Gates: "We see an increase in categories: In-dash, remote base stations. . . . Later on in the industry stabilization will probably range between \$180—nothing approaching what we see today in 23-channel

Audio

AUDIO—Panelists: Don Palmquist, Kenwood; Jerry Kalov, Tom Pickett, Sherwood; Victor Camp, Superscope; Victor Camp, Research.

Palmquist: "Super-portable speakers and separates will grow. The first time separates are available at a relatively low price point will be more dual power as well as DC amplifier. Manufacturers must choose lines carefully on sales training, and a variety of markets (women and business).

Kalov: "We'll see more speakers with improved sound. More consumers who also look for more \$50 speakers . . . The big trend is stereo and the trend is toward a product with more power. Manufacturers need to be

inside Merchandising

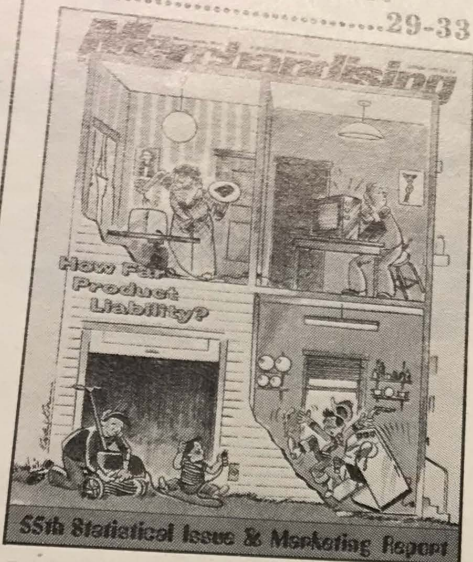
FOR OVER 65,000 READERS, 56,000 RETAILERS
March 1977

B 198289



How Far Product Liability?

29-33



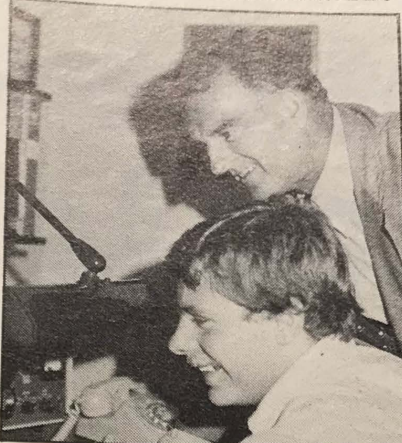
55th Statistical Issue & Marketing Report

Jack Blood, with an assist from Lois Panosh and Jim Schneider, takes a hard look at one of consumerism's spinoffs: The recent skyrocketing of product liability claims and costs. The just and unjust (depicted by our cover) are explored in detail in this cover report.

TRENDINGS.....6, 10

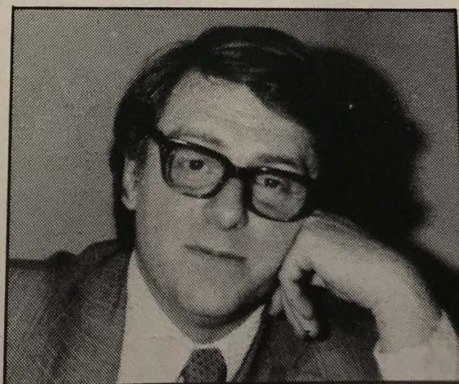
- Major appliance sales continue at a good if not brisk pace, weather notwithstanding.
- "Specials," tax refunds, remote tuning seen keys to coming improvement in color tv activity.
- Housewares buyers are expecting to spruce up sales figures with spring cleaning promotions.
- Calculator retailers load price promotion guns for upcoming tax and gift season.
- Loose, informal buying groups begin to blossom among audio dealers.
- Economists expect wintry blast

THE MOTIVATORS HARRY HILL.....120



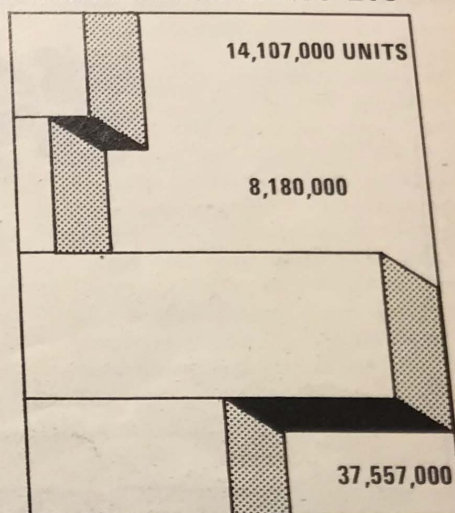
Formerly the "Red Baron" and now the "Yankee Clipper," the vp and general manager of Proctor-Sixlex is a confirmed CBer, a ham radio operator and collector of clocks, keys and scales. But Jane Wollman visits and finds he's also a golf "nut" who's frequently on the course with his son, as well as an avid family man.

FINANCIAL SCENE LEON MCMILLAN.....14, 15



Assistant vice president of Chicago's Lincoln National Investment Management Co. sees 2.5 million unit VTR market in 1980 as modular home entertainment center idea

STATISTICAL ISSUE & MARKETING REPORT35-103



Merchandising's 55th annual foundation issue for the major appliance, home and auto electronics, personal communications, high fidelity and electric and non-electric housewares industries. Based on the monumental efforts of Joan Lyons, research director, and with the cooperation of many industry executives, newer products have been tracked and charted, older ones have been broken out in greater detail. All this plus the cogent analyses of Jack Blood, Jim McCullaugh, Lois Panosh, Jim Schneider and Jane Wollman make this report a most significant marketing tool.

OPINION FILE SUBJECT IS BRANDS.....

Retailers say over one-third of customers request specific brands few say national advertising does business for them. Conclusion: national ads are better at boosting brand identity than moving

endings

ES

rd winter. Now with spring just
housewares retailers are planning
to put more push in
"early spring" sales
hopefully to make up
for some of the business
lost during the Arctic
winds and snows of late
January and February.
With snow and freezing
temperatures in Flor-
ida, Mississippi, Ala-
bama and as far south
in Texas as Houston,
only the Pacific South-
west was able to do

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had increased during the
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arbecue grills

HOME ELECTRONICS

Retailers are preparing for a major color tv push
this month following the effects of the severe winter
weather that has pla-
gued most of the na-
tion.



"Specials," in-store
demonstrations, and di-
rect mail campaigns are
some ways merchants
will strive to stir up ac-
tivity on the retail
floor. Consumers' in-
come tax refunds are
also seen as a factor in
building sales.

Profit lines will con-
tinue to be emphasized, and many merchandisers are
sticking to a cautious policy of buying more fre-
quently but in lower volume, fearful that possible
price cuts could have them with inventors which has
decreased in value.

Remote control electronically tuned color sets are
pegged as good movers in the upcoming months,
called "a sophisticated selling tool" by department
stores and independent dealers alike.

Home videocassette recorder sales have been ex-
cellent, report retailers, enthusiastic over the pros-
pects of an expanded market following Zenith's an-
nounced entry into the field.

Some merchants are selling 19-in. remote control
color tv sets either with VTR units or shortly after
purchasers have had a chance to try them at home.
And at least one merchant said some VTR owners are
returning to buy as many as a dozen tapes at a time.

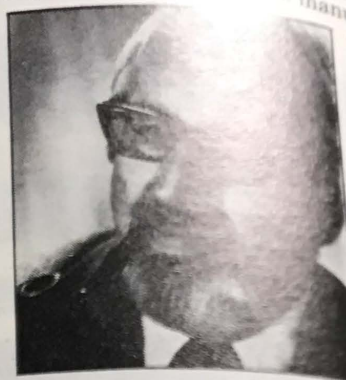
Reports in the consumer press citing picture tube
etching caused by prolonged use of video games have
not hampered sales, retailers say, some of whom had
experienced CRT burn on their own demonstration
models subjected to virtual round-the-clock use.
However, at least two tv manufacturers are under-
stood to be seriously looking at a change in war-
ranties that would eliminate protection of picture
tubes burned as a result of continual tv game usage.

Merchandisers stress a link between CB radio de-
mand and the level of trucker activity on new chan-
nels as most consumers use their rigs primarily to
monitor rather than transmit.

While last year a number of retailers carried
"whatever brands (we) could buy at a good price,"
when it comes to 40-channel units, many are sticking
with "the big names." Their rationale: Name brands
will be the first ones to sell. They also offer benefits
like faster delivery and co-op advertising.

NATIONAL OUTLOOK

Now meteorologists seem to be as
for dealing with the business scene
Only a weather forecast could have produced
ing most of the manufacturers



dicators were good: Consumer installations ex-
perienced its biggest increase in 41 months
a seasonably adjusted \$1.82 billion, the
since the \$1.9 billion of July 1973. And
prices rose only a moderate 0.4% over
a 4.8% annual rate. And most observers
prices to rise much more than this over
eral months.

Added to that, the chain stores reported
gains for January—Kresge's, 21%; Sears
Hudson, Wards, 14% each; Zayre's, 12%;
11%; Penney's, 9% and May Dept. Stores,
nally, the January unemployment figure
7.3% from December's 7.8%.

Yet, despite the yet-to-be measured im-
deep-freeze (Chicago had 41 consecutive days
freezing temperature as of Feb. 9), many
they fared well on those days they were open
thing, some of the people who were unable
work did not suffer any loss of income and
it was physically possible, they shopped.

Nevertheless, whatever the final cost of the
blast on the economy, many economists are
ing that it will result in only a temporary
unlikely to have any significant long-term

In fact, many economists, even now, are
concerned about a resumption of inflation
are about the weather putting a serious cr-
nation's economy. All in all, ample reason
ahead with confidence as we thaw out.

Knosh

Jane Wellman

End of the

12958 Midway Place,
Los Angeles, California 90701.
(213) 926-3333.



**Midland SP3150 4-Way
Speaker System** Overall
frequency response: 25Hz to
20kHz \pm 5 dB; Impedance:
8 ohms; Built-in crossover:
50Hz-1800 Hz, 7.5kHz, 12kHz;
power handling capability 55
watts maximum music power.

5,814,000 in the previous period.

Citizens band radios continued to surge onward and upward to finish 1976 at 11,280,000 units, a 151% increase over last year's 4,500,000.

Mobile transceivers roared ahead from 3,825,000 units to 9,460,000 sold, up 147%, while base stations increased from 675,000 units to 1,820,000, up 170%.

Games zoom

The expanding home video game market saw sales soar a mind-boggling 842.8%, from 350,000 units in 1975 to 3,300,000.

Rising sales of projection tv systems totaled 15,000 units, up 114.3% from 7,000 last year.

Portable phonograph sales, amounting to 3,100,000 units, increased 7.3% in 1976. Of this, stereo models jumped 25%, from 560,000 units to 700,000. Monaural players were up 3% to 2,400,000 units.

In console stereo, models featuring 8-track play and record posted a 42.9% gain, from 105,000 units to 150,000. Those with 8-track play rose 23.8% to 130,000 units.

CB, watch growth

A look at the entire electronics market indicates all categories having lost some ground to citizens band radio, which took 9.3% of the total vs. 4.6% in 1975, and digital watches, enlarging its piece of the pie from 4.3% to 9.4%.

9-Inch
12-Inch
13 & 15
16 & 17
18 & 19
Over 19
TO

Hybr
Solid
Batt
(% o

PH

All four of the youth sports kits feature a "do-it-yourself" decal design kit with 20 different decals included.

At the same time, TI has introduced its Money Manager calculator offering preprogrammed special functions, reciprocals, squares, square roots, linear regression, powers and roots, natural logarithms and parentheses for \$26.95.

Tele-Match

MUNDELEIN, Ill.—Tele-Match's television computer game offers tennis/ping pong, hockey, handball/racquetball and solo/singles handball.



Tele-Match game

Selling for \$59.95, the unit allows players to select a manual of automatic serve, large/small, amateur/professional bat size, amateur/professional ball speed and a two and four angle adjustment.

RMS Electronics

BRONX, N.Y.—RMS Electronics, Inc.'s 300 ohm citizens band interference filter features miniaturized circuitry to allow...

Merchandisers Want Help On Turns

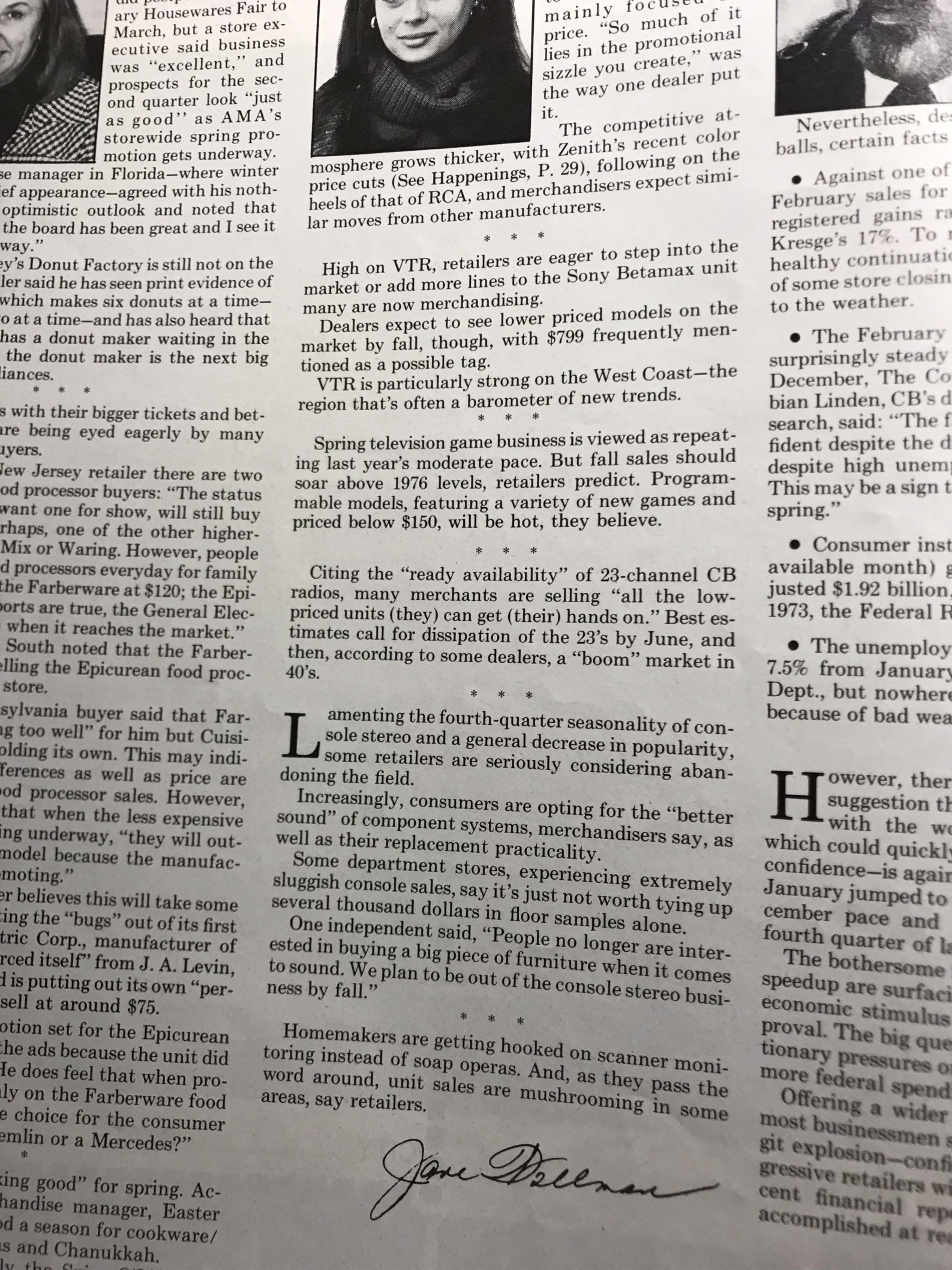
A BILLBOARD PUBLICATION

APRIL, 1977 \$15.00

Advertising

TODAY ON ITS MIND





ary Housewares Fair to March, but a store executive said business was "excellent," and prospects for the second quarter look "just as good" as AMA's storewide spring promotion gets underway.

se manager in Florida—where winter appearance—agreed with his noth- optimistic outlook and noted that the board has been great and I see it way."

ey's Donut Factory is still not on the ler said he has seen print evidence of which makes six donuts at a time— o at a time—and has also heard that has a donut maker waiting in the the donut maker is the next big liances.

s with their bigger tickets and bet- are being eyed eagerly by many uyers.

New Jersey retailer there are two od processor buyers: "The status want one for show, will still buy rhaps, one of the other higher- Mix or Waring. However, people d processors everyday for family the Farberware at \$120; the Epi- ports are true, the General Elec- when it reaches the market." South noted that the Farber- elling the Epicurean food proc- store.

sylvania buyer said that Far- ing too well" for him but Cuisi- olding its own. This may indi- ferences as well as price are od processor sales. However, that when the less expensive ing underway, "they will out- model because the manufac- moting."

er believes this will take some ing the "bugs" out of its first tric Corp., manufacturer of rced itself" from J. A. Levin, d is putting out its own "per- sell at around \$75.

otion set for the Epicurean he ads because the unit did He does feel that when pro- ly on the Farberware food e choice for the consumer emlin or a Mercedes?"

ing good" for spring. Ac- handise manager, Easter od a season for cookware/ s and Chanukkah. ly the S...



mosphere grows thicker, with Zenith's recent color price cuts (See Happenings, P. 29), following on the heels of that of RCA, and merchandisers expect simi- lar moves from other manufacturers.

High on VTR, retailers are eager to step into the market or add more lines to the Sony Betamax unit many are now merchandising.

Dealers expect to see lower priced models on the market by fall, though, with \$799 frequently men- tioned as a possible tag.

VTR is particularly strong on the West Coast—the region that's often a barometer of new trends.

Spring television game business is viewed as repeat- ing last year's moderate pace. But fall sales should soar above 1976 levels, retailers predict. Program- mable models, featuring a variety of new games and priced below \$150, will be hot, they believe.

Citing the "ready availability" of 23-channel CB radios, many merchants are selling "all the low- priced units (they) can get (their) hands on." Best es- timates call for dissipation of the 23's by June, and then, according to some dealers, a "boom" market in 40's.

Lamenting the fourth-quarter seasonality of con- sole stereo and a general decrease in popularity, some retailers are seriously considering aban- doning the field.

Increasingly, consumers are opting for the "better sound" of component systems, merchandisers say, as well as their replacement practicality.

Some department stores, experiencing extremely sluggish console sales, say it's just not worth tying up several thousand dollars in floor samples alone.

One independent said, "People no longer are inter- ested in buying a big piece of furniture when it comes to sound. We plan to be out of the console stereo busi- ness by fall."

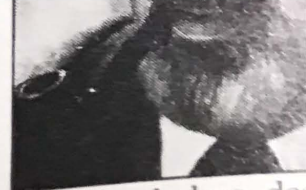
Homemakers are getting hooked on scanner moni- toring instead of soap operas. And, as they pass the word around, unit sales are mushrooming in some areas, say retailers.

Jane Dellman

mainly focused price. "So much of it lies in the promotional sizzle you create," was the way one dealer put it.

The competitive at-

mosphere grows thicker, with Zenith's recent color price cuts (See Happenings, P. 29), following on the heels of that of RCA, and merchandisers expect simi- lar moves from other manufacturers.



Nevertheless, des- balls, certain facts

- Against one of February sales for registered gains r Kresge's 17%. To healthy continuation of some store closin to the weather.

- The February surprisingly steady December, The Co- bian Linden, CB's d search, said: "The f- fident despite the d despite high unemp- This may be a sign t spring."

- Consumer inst- available month) g- justed \$1.92 billion, 1973, the Federal R-

- The unemploy- 7.5% from January Dept., but nowhere because of bad wea-

However, ther- suggestion th- with the wo- which could quickly confidence—is again January jumped to cember pace and fourth quarter of la-

The bothersome speedup are surfaci- economic stimulus proval. The big que- tionary pressures o- more federal spend-

Offering a wider- most businessmen s- git explosion—confi- gressive retailers wi- cent financial rep- accomplished at res-

...ad though about pur-
time-saver, the slow
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Scottsville, Ky., said he
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Forty-
talked to said they would expect to
pay between \$20-\$29.99 for a slow
cooker, although 35% thought it would
require only a \$10-\$19.99 outlay.

TV Games

Inquiry about tv games provoked strong opinion, pro and con. Forty-one percent of consumers said they had considered buying an electronic game, many conceiving of the device as a way to "keep the family together," to "keep the kids quiet," and as an inexpensive form of entertainment." It was, they declared, "a good way to put the tv to use." (See Table F for survey data).

"It's the ultimate put-down of tv programming," said a professional man. "Pursuing a blip on the screen is more entertaining than most shows."

Noted a Nashville, Tenn. student: "It's cheaper to bring dates to our apartment to play ping pong than to go to a movie or out to eat . . . plus the girls usually do some cooking, too."

Fifty-nine percent of respondents indicated no interest in tv games. Some called the idea "stupid," "a ridiculous waste of time" and only for "the lazy." Others said they understood games could damage the receiver's picture tube, while some thought the games "too frustrating" to play.

"Sports and culture are what I want out of the tv. 'I'll take the kids outside for a hike before I'd get a tv game,'" said a Forest Grove, Ore., professional man.

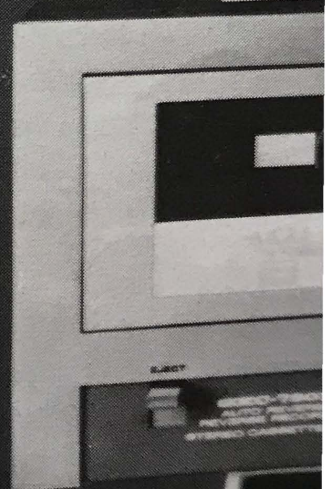
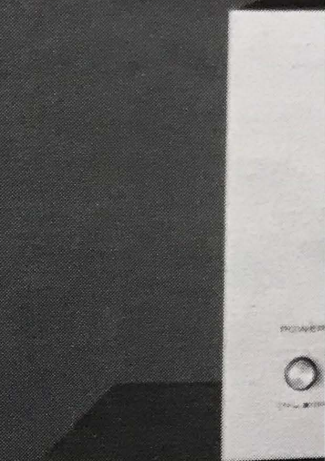
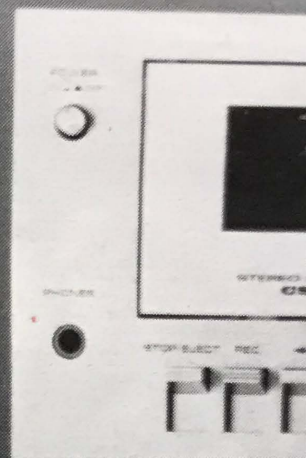
"I was going to buy one, but then I heard these games might leave a permanent image on our tv tube. I don't want any part of that, so I decided against it," said a Seattle father.

Unlike microwave ovens and slow cookers, 33% of the respondents said they learned of games from retail displays they had noticed. Manufacturer ads brought them to the attention of 29% of the respondents.

Most often selected as the anticipated price range for a tv game was \$60-\$99, named by 46% of consumers.

tape selector switch, easy-to-read illuminated VU meters,

AKAI IN TO



Sauter sees color tv hitting 8-million mark; says 40% of RCA's sales now in consoles

SCOTTSDALE, Ariz.—In conjunction with new television set introductions (see Product Picture p.??) at distributor meetings here and in Orlando, Fla., Jack K. Sauter, vice president, marketing, RCA consumer products division, forecast volume at 8-million color sets for the industry and noted that RCA distributors set a company record for January sales.

He added that RCA had improved its market share in 19's and 25-in. con-

both appeal to specific consumer interests, either economic or in technological advancement."

"People are more conscious of energy and repair costs," said Roy Pollack, vice president and general manager, alluding to the serviceability and energy use improvements of the firm's new XtendedLife chassis.

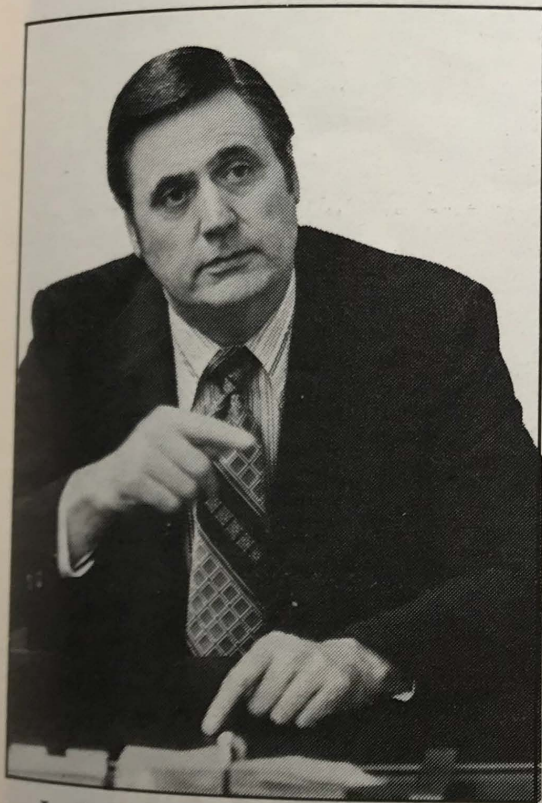
Sauter said stepped-up interest in AC-DC models "could help add new life to the monochrome business," where he looked for total volume of 5-million units.

Industry AC-DC sales rose 59% in 1976, RCA's, 107%, according to the company.

Early next year RCA is expected to introduce a 13-in. color portable, its smallest color screen size ever. The disclosure followed an announcement by the Chinese Information Service in Washington that RCA Taiwan Ltd. would begin production in November of complete color tv chassis.

RCA said the Bloomington, Ind., plant will continue to be the final assembly plant for all RCA color tv receivers, with the Taiwan plant producing "more complex sub-assemblies."

Officials of RCA reiterated plans to enter the videotape recording market "in the second half," but would not specify details. As for video games, Pollack noted the development of an "add-on" unit—by RCA's distributor and specialty products division—but indicated the concept of a built-in game was further away because of problems of standardization and "logical compatibility." Such units, he explained, would have to be designed so that new games or features could be incorporated without obligating the consumer to invest in a new receiver.



Jack K. Sauter, v. p.-marketing

soles. Consoles account for 29% of industry color sales, but 40% of RCA's, he pointed out.

Sauter said the introduction of new, improved XL-100 color receivers "reinforces our concept of establishing two separate, high-performance color tv lines—XL-100 and "ColorTrak" ...

**PC '78 in Las Vegas
set for Feb. 14-16**

The refurbishment and expansion programs will call for capital expenditures of \$106.9 million compared with



s Medium Scale
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formerly Merchandising Week

A BILLBOARD PUBLICATION

MAY, 1977 \$20.00

Merchandising

DESIGNED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND



CS

All 1977 figures are estimates

993,000 units com-

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increase 2.6%, to-
s. last year's

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up 9%, from
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els are ex-

pected to record an 18% sales gain. Solid-state units will take over 98% of the total b&w market, as the industry shifts further from hybrid manufac-
ture.

The volatile electronic tv game cate-
gory will see soaring sales in 1977, with
the introduction of more sophisticated
programmable models. Total volume
is expected to reach 7,000,000 units,
112.1% over last year's, 3,300,000.

The market for home projection tv
systems is set to expand with sales of
37,000 units predicted, up 146.7% from
the 15,000 sold in 1976.

Total home radio sales will come in
6.2% above last year: 30,053,000 units

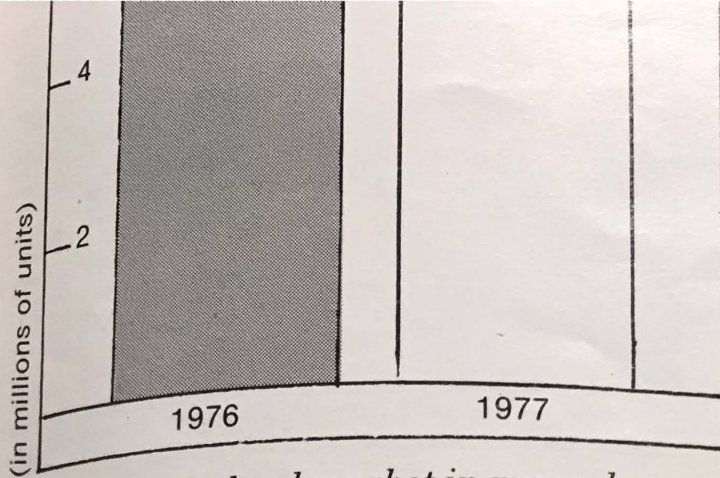
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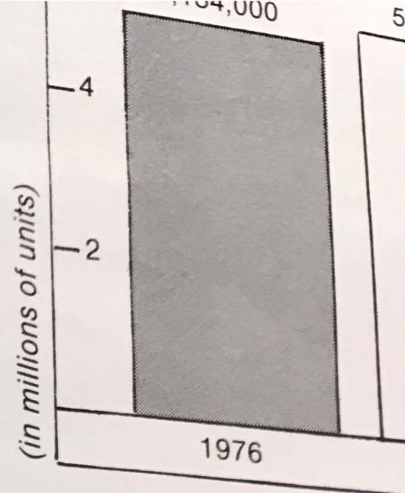
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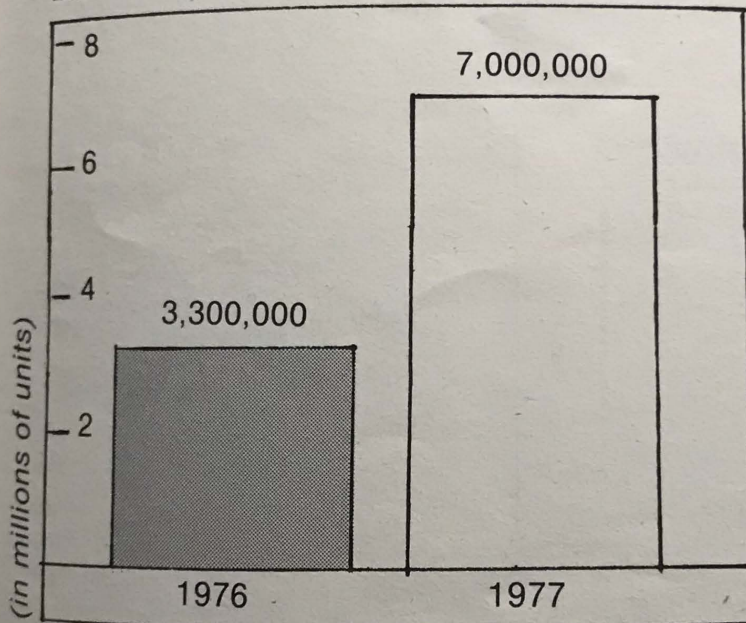


A relatively level market in monochrome tv will see sales of 5,329,000 units, up 2.6% from last year.



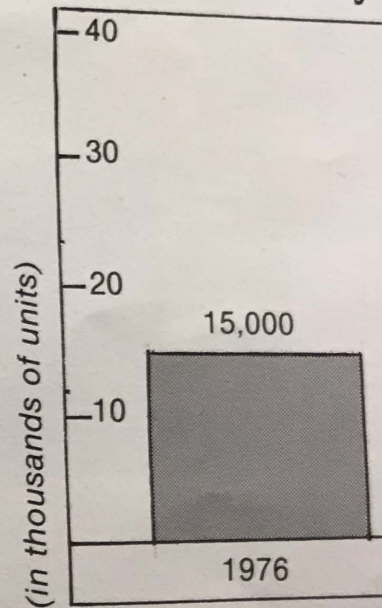
*The popularity of the 1...
satellite and mobility of...
act to boost b&w porta...*

Electronic TV Consumer Games



Such factors as the availability of new programmable models, ball-and-paddle units with multi-tiered pricing and expanded distribution will contribute to a 112.1% sales increase.

Projection TV Systems



*Lower priced model...
ing of projection tv s...
to the sale of 37,000 u...*

year. He noted his year-end sales were up a 9.9% increase in durables compared with an actual 11% overall rise and a 9.7% increase for Sears.

Fairchild to stress LCD watches, games

NEW YORK—Fairchild Instrument Corp. intends to emphasize \$20 to \$30 LCD watches and advanced cartridges for its video games through 1977, Wilfred Corrigan, president and chief executive officer, told security analysts here.

"The main thrust of the electronic digital watch market will be in the metal-cased, lower-priced LCDs. We do participate in the plastic-cased market and I see models retailing for \$9.95 in June. But, plastic watches only confuse the retailer. I view them as toys and we do not get into the toy market," Corrigan remarked.

Indicating that the company has just completed a new facility in Hong Kong for LCD watch assembly, Corrigan noted that there will be a "modest" dollar growth in watches this year with dollar volume close to that of last year or down slightly.

Corrigan also stated that at present Fairchild's watch production is split 50%-50% LED vs. LCD, but the latter will gain strongly.

As for video games, Corrigan said that Fairchild will introduce four cartridges in June; Magic Numbers, Maze, Drag Strip and Baseball, with 15 additional cartridges by year-end. Corrigan sees ten million video games being sold by 1980.

"I look at the entire video phenomenon ending up with television receivers as the terminal for video games, discs and tapes."

Microwave Parley features 100 experts



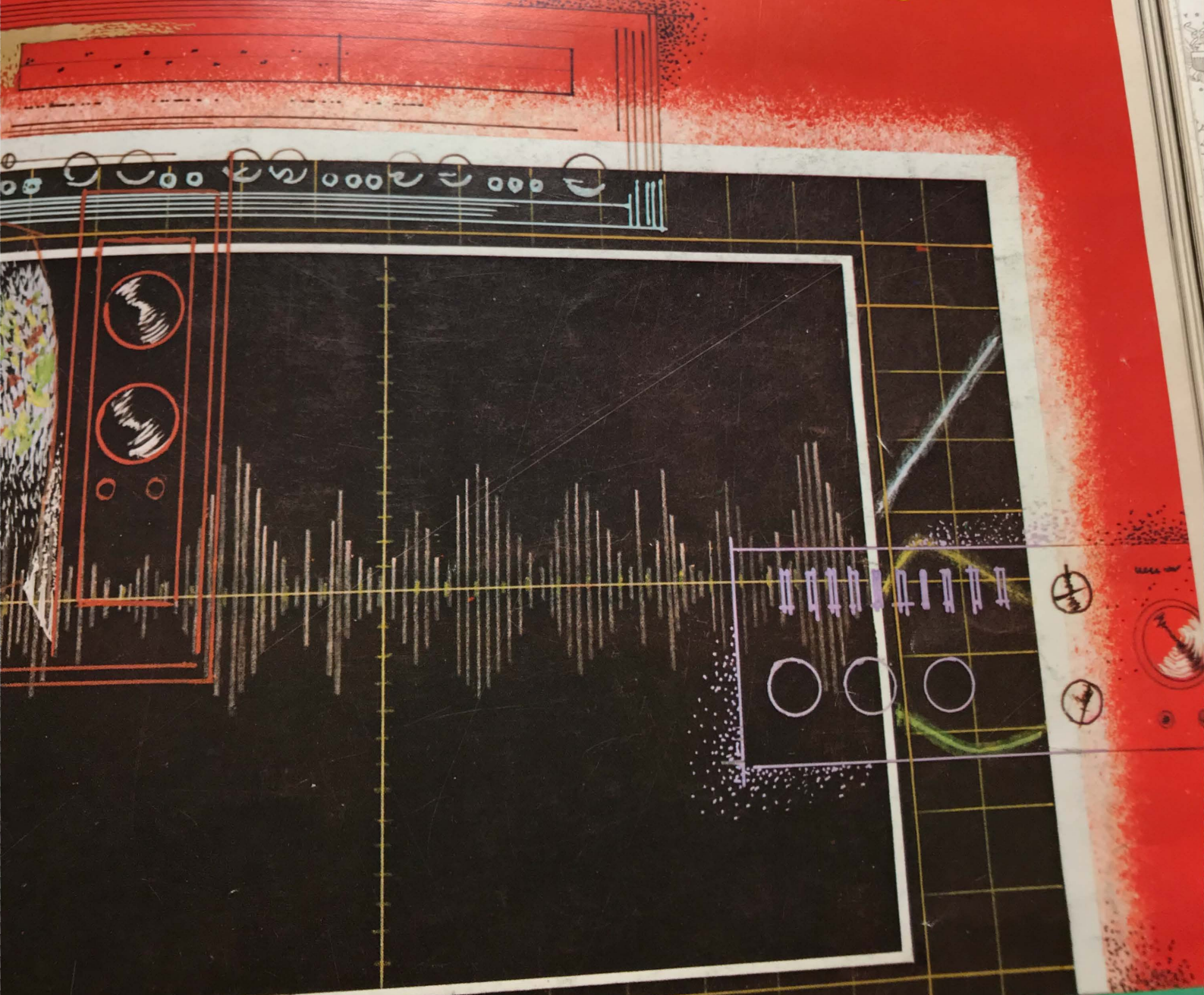
Merchandise Merchandising Week

Merchandising

JUNE, 1977 \$10.00

AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

Eyes and Ears of Electronics

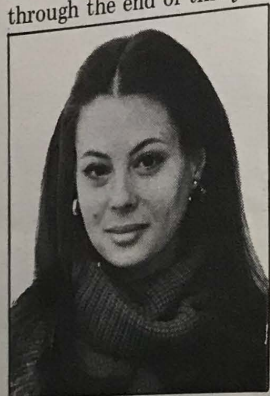


Opinion

James Schneider

HOME ELECTRONICS

Based on good activity in the first six months of 1977, brown goods retailers are confidently looking ahead to color tv's continuing strength through the end of this year. Much uncertainty exists, however, as to pricing and availability as merchants await government and industry action relative to Japanese imports.



Some retailers, in fact, have been heavily buying low-end portables (particularly imports) as a hedge against higher prices and limited availability they believe added tariffs and/or import quotas will bring. They are also buying in anticipation of upward price changes they feel could occur as a result of continued strengthening of the yen, regardless of the outcome of the tariff/quota issue. The end of the \$299 19-in. set has arrived, merchants declare.

Apart from the imports question, other retailers are stocking up on specials they have been offered to support what is expected to be healthy summer and fall sales periods.

Should price increases be instituted, many merchants indicated they would move to domestic brands, saying that consumers would be less inclined to opt for import lines carrying higher price tags. Others said that although margins might be "squeezed," they would stick with imports, whose prices they believe would still be under domestic brands and whose warranties would retain longer terms. A number of retailers feel that imports have had a healthy influence on the market, forcing domestic manufacturers to produce higher quality product to compete with Japanese firms.

Generally, the second half of the year is expected to bring a strong surge of 25-in. console business, retailers project, based on a significant replacement market. Nineteen-in. sets will still account for the largest portion of color sales, but 13-in. receivers will capture an increasing share of the total.

Calling it "the salvation of the industry," more retailers are planning to move optimistically into VTR as a number of manufacturers begin to

consumers, who, ... are not always be home at any time to see program-
ming in which they are interested. Also, young adults, with a relatively high level of discretionary income, were singled out as likely purchasers.

The programmable tv game is another product merchants are excited about. Consumers quickly tire of ball-and-paddle models, which may be better left to camera departments and toy stores to sell, dealers say.

Some retailers feel that merchandising programmables as "entertainment systems" rather than as "games" will help hold prices.

As high as most retailers are on the more sophisticated tv game, some will nevertheless exercise caution in buying, regarding it almost exclusively as a Christmas item. And at least one merchant believes VTR will replace the tv game once consumers begin to buy cameras to tape their own "shows"—the ultimate "game" to be played utilizing a tv receiver.

Big movers in radio are expected to be digital clock models, particularly electronic LED units.

Portables with tv or weather bands and multibands featuring police action will also be in demand, retailers say.

Once 23-channel transceivers are cleared out, merchants anticipate the citizens band radio business to be a strong, stable market. They attribute any slowup in CB sales to hesitant consumers confused by the switchover to 40-channel models. Twenty-three channel units will be gone by summer's end, retailers predict. Some merchants having success with CB hold it is immaterial whether they are dealing with 23- or 40-channel units as long as they can buy them right and sell them profitably.

A number of merchandisers appear to be losing enthusiasm for console stereo as compacts and components continue to grab more and more of the audio market. However, in order to fill the need of the consumer interested in buying a piece of furniture, many still plan to stick with consoles. Most popular price points for the rest of this year will center around the \$150-\$250 range, merchants say.

Retailers point to the trend toward smaller homes in citing the preference for components and compacts over consoles as well as the move to shorter console units. As one dealer put it: "There are a whole lot of things in the marketplace that are changing, and we must change with them."

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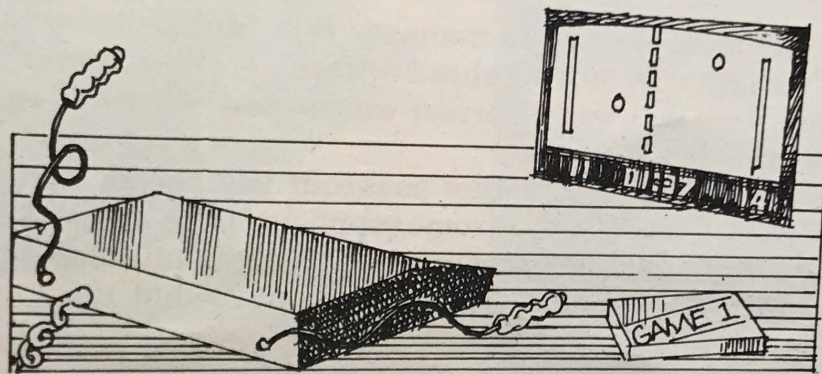
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Like most other sources, he said promotion would be focused on the local level, with co-op help, notably using direct mail aimed at specific clientele.

Regarding pricing, Brisson indicated that Sony had launched a program enabling retailers to merchandise the Sony \$2,500 list KP4000 at a lower price than the \$2,395 for which it's been selling. He indicated lower pricing is dictated by the \$1,500-\$1,600 tags for which "regional organizations" have been marketing units, using other manufacturers' tv sets. He pointed out such units may void the warranties on the sets themselves and raise the question of "who stands behind the product."

TV Games



A "super," if not "explosive," second half is forecast for tv games, with much of the attention focussed on new programmable introductions to compete with Fairchild's expandable, micro-processor unit.

Overall, the games market is breaking out into three discrete segments, according to producers: The low-priced opening ball-and-paddle models; mid-range, more sophisticated LSI chip units; and micro-processor-based games using plug-in cartridges in the upper range.

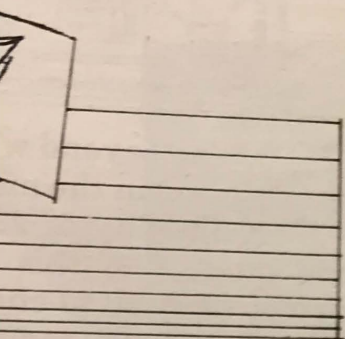
Commenting on programmable introductions from other firms entering the field, Fairchild's Chuck Jacoby, director of marketing-video systems, said he sees this year as "more of a buyers' than a sellers' market." Fairchild, which will be premiering four new cartridges at the CES, expects "better availability" of its hardware in the second half.

However, Ken Ingram, senior vice president, Magnavox, anticipates a "somewhat turbulent" program-

format will vary some-
Manufacturers are op-
market in this year's l-
number of introduction
be tight.
Said Jack Sauter, divi-
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1977. We are enthusiastic
fourth quarter."
Promotion will be at a
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Zenith, which has opted fo-
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The deck will be available s-
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also using the Sony system i-
to debut here.
Matsushita's VHS forma-
RCA, which will market a 4-l-
in timer, and Panasonic is
nology in a 4-hour unit. JVC
VHS unit under its own labe-
Quasar's 2-hour "Great Time
ket since January, at \$995, us-
sushita's VX system.
Magnavox is also expected
the last quarter. And Hitachi,
Matsushita VHS format ar-
recorders in Japan, says it w-
arena in 1978.
VTR prices are expected to h-
half, according to producers, dec-
tion mounts. Ray Steiner, senio-
Corp. of America, anticipates "
ward in 1978 when manufactur-
up." He added, however, that he
dropping as low as \$700-\$800—
VTR as we see it today."
How soon before VTR becom-
item? "Probably not until 1980,"
will be a highly visible product be-
make up an important segment o-
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Overview

mable market because of "late chip production that will cause a squeeze getting (the games) out the door."

Total 1977 sales volume estimates for all types of games vary widely from a minimum of 5 million units to 10 million.

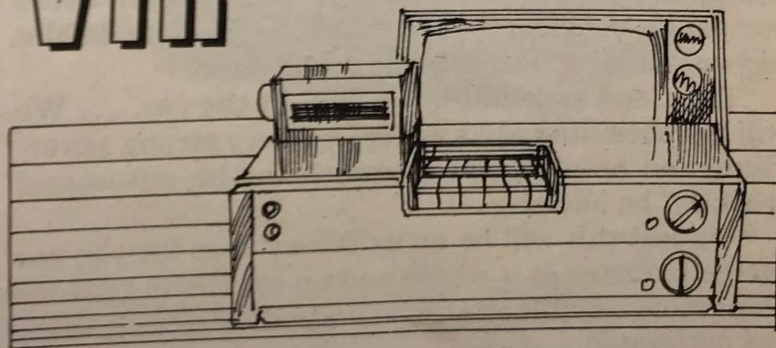
Arnold Greenberg, president, Coleco, which has introduced a microprocessor game with plug-in cartridges at a suggested retail of \$99, sees "a good healthy doubling" over last year's industry sales. Games will be "explosive," he said.

Producers agree that the games business at retail will begin to climb this month, gradually increasing in strength until it reaches a crescendo at Christmas.

Prices are anticipated to be stable on programmable units and "we've-gone-as-low-as-we-can-go" on beginning bat-and-ball models. As Ingram noted, "Pricing has already shaken out at the low end."

Jacoby sees both dedicated chip and microprocessor games co-existing in the marketplace but predicts the ball-and-paddle types will gravitate further toward toy store merchandising, with programmables performing especially well for electronics specialty stores. Said he: "we've had a lot of success with the electronics specialists who introduced projection tv. When you tie a programmable game to a large-screen tv, the combination is great."

VTR



There could be as many as nine companies offering nine different versions of home video recorders in the U.S. this fall. While there will be basically three systems in use, models utilizing the same format will vary somewhat according to features.

Manufacturers are optimistic about the home VTR market in this year's last quarter; and despite the number of introductions, availability is expected to be tight.

Said Jack Sauter, divisional vice president-market-
Said Jack Sauter, divisional vice president-market-

INTRODUCING ATARI'S OFFICIAL 1977 LINE OF VIDEO GAMES.

NEXT YEAR OUR COMPETITION WILL INTRODUCE THEM.

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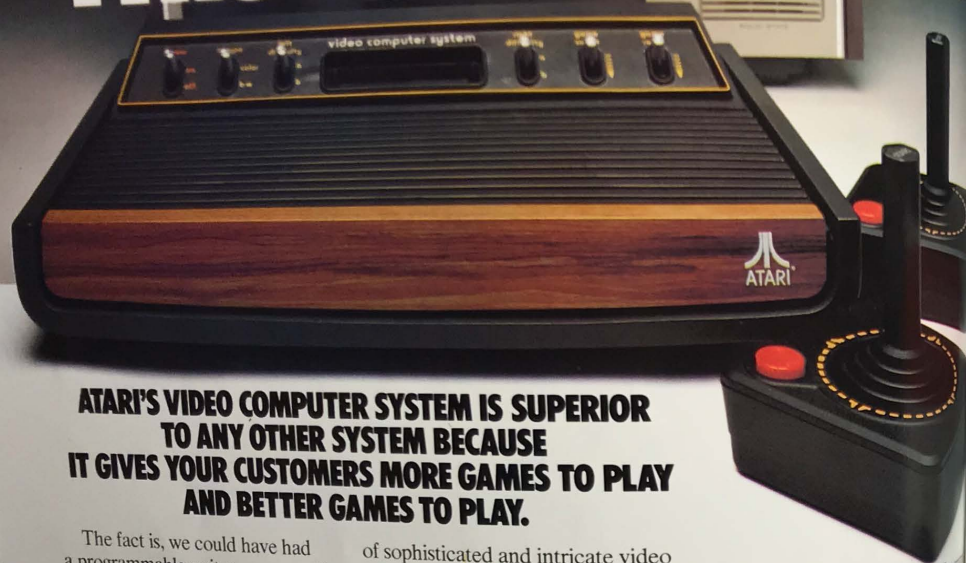
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CR-3520 offers
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Superscope model CR-3

Other features include tape
tape speed control, three-di
counter and FM muting.
Superscope's other recorder,
CR-900, features PA/Play mix
sleep timer switch, LED tuning
ex, and built-in condenser s

amp model 550 with 45-watts-per-
channel output and model 850 inte-
grated amplifier with a 65-watt-per-
channel output. Model 850 tuner with
channel output has also been unveiled.
AM/FM has also been unveiled.
In the audio product line's "profes-
sion" sup, the Alpha II amplifier and a
channel and a
added.

THIS IS NOT A TOY.



ATARI'S VIDEO COMPUTER SYSTEM IS SUPERIOR TO ANY OTHER SYSTEM BECAUSE IT GIVES YOUR CUSTOMERS MORE GAMES TO PLAY AND BETTER GAMES TO PLAY.

The fact is, we could have had a programmable unit a year ago. But we wanted our 1977 microprocessor based programmable system to have enough power so it would still be worth its stuff in 1983. Who needs a programmable unit this year that doesn't have enough power for next year's games. And we wanted a system that could handle the kind

of sophisticated and intricate video games Atari is famous for, because the more fun we make our games, the more games you're going to sell.

Since games are the name of the game, we pre-test our video games in consumer research studies, and we use our coin-operated game expertise to make sure we have the most challenging home television video games in the market place. That's what separates us from everybody else. Most companies don't realize that if a game isn't challenging, it isn't fun, and if it isn't fun, it isn't going to sell.

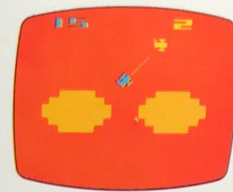
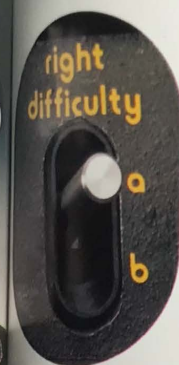
Right now, six Game Program™ cartridges, with different controllers for different games, are available with Atari's Video Computer System™. We have Combat™, Indy 500™, Space Mission™, Video Olympics™, Street Racer™, and Air-Sea Battle™. After Christmas, we plan to intro-

duce one or two new Game Programs every month.

Every one of our Game Programs has fourteen to fifty game variations. No one else in the industry can do that. No one else in the industry can even half as many game variations per cartridge.



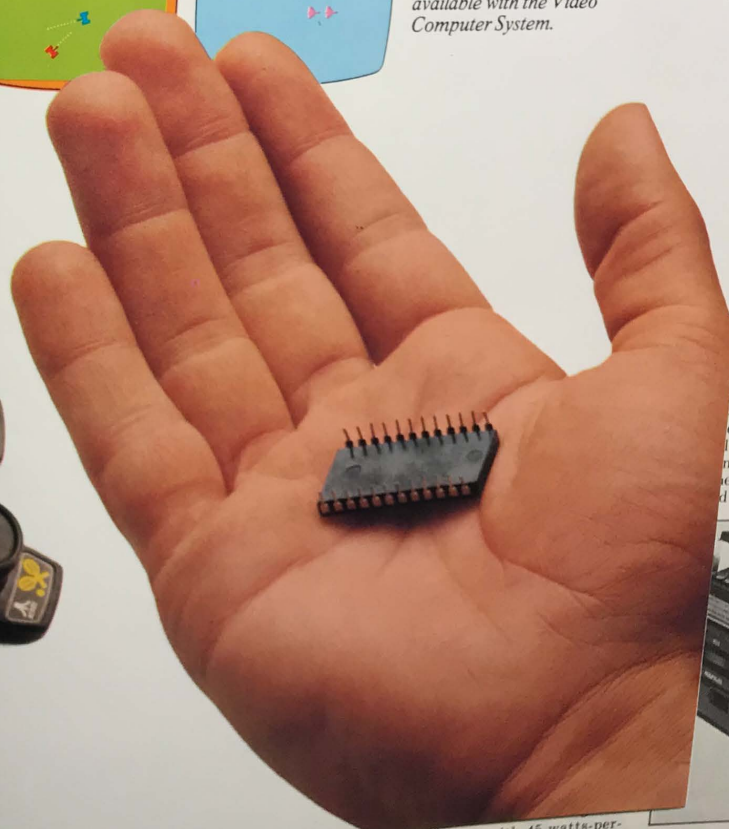
In the beginning, we created six Game Programs. But, there's a lot more to come.



Left corner—A flip of the Handicap Difficulty Switch and suddenly an ace bomber is a rookie again.

Center—The Combat Game Program is packaged with every Video Computer System. There are 27 action-packed game variations including Bi-plane™, Tank Pong™ and Jet Fighter™. It's a fight to the finish battle in living color.

Lower left—Rugged remote control paddle controllers are available with the Video Computer System.



made for manual operation and FM stereo/AM receiver with 8-track...
Morton's other system...
2000-10-3000...
...the Alpha II amplifier

amp model 550 with 45-watts-per-channel output and model 850 integrated amplifier with a 65-watt-per-channel output. Model 850 tuner with AM/FM has also been unveiled.

In the audio product line's "professional" the Alpha II amplifier...
...the Alpha II amplifier

Superscope model CR-3...
Other features include tape...
...tape speed control, three-di...
...counter and FM muting.

Superscope's other recorder...
CR-900, features PA/Play m...
...CR-900, features PA/Play m...

No one else has *all* original games, either. Everyone has been playing follow the leader, and we're the leader. People want games that are fun to play, and they want a wide choice of games. That's why customers will come back to your store to purchase more Atari Game Programs again and again and again and again and again ad infinitum.

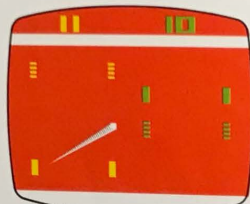
Obviously, we're serious about our work. When you're bent on being the best, you just don't have time to play games.



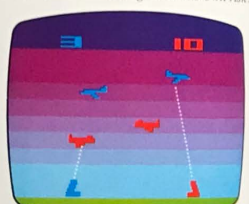
In the Indy 500™ Game Program, the cars zoom around the track at nerve shattering speeds! There are 14 game variations, all in color.



The Street Racer™ Game Program has 27 game variations, all in color. Dog Fight™, Slalom™ and Wheel™ are just a few of the obstacle courses a player must navigate at his own risk!



The Video Olympics™ Game Program has everything from Pong™ to Fooz-pong™ to Handball™ to Quadrapong™. There are 50, count 'em, 50 game variations. Whew!



The Air-Sea Battle™ Game Program are moving targets that demand split second timing. The 27 game variations include games like Anti-aircraft™, Torpedo™, and Polaris™.



You're in the cockpit on the intergalactic Space Mission™ Game Program. There's Space Mission™, Warp Drive™ and Lunar Lander™ with 17 game variations. Watch out for that asteroid!

We've

VIDEO COMPUTER SYSTEM FROM ATARI

See and hear for yourself. We've got the strongest line of television, personal electronics products and audio equipment we've ever offered. And we've built it all into total merchandising programs—starting with the price point you've been asking for and supported by a variety of additional activities and



Only the company who invented Pong™ could have masterminded Video Pinball!™ This game is so addictive, it's diabolical. From consumer pre-testing and from our knowledge in coin-operated video games, we learned people's competitive spirit comes out when they're challenged. Win or lose, they simply have to play the game again. And again. And again.



On Video Pinball, we went crazy. There are so many game options, the consumer will never get bored. It would take a "pinball wizard" to win consistently.

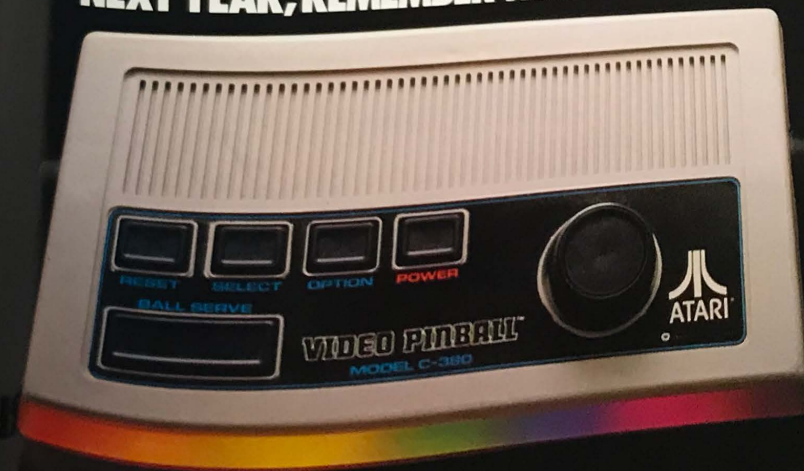
Seven jawbusting games, all in color on color TV, make up Video Pinball. Four excruciatingly difficult pinball games, two competitive rebound basketball games, and Breakout™. People kicked walls and screamed uncivilized noises when we consumer tested these games and confirmed what we already knew.



Video Pinball ate people up. They loved it by a two-to-one margin over any other game that will be out this year.

In fact, Atari Video Pinball is going to be the number one seller in video games this year. And next year, remember who told you.

**VIDEO PINBALL.
NEXT YEAR, REMEMBER WHO INVENTED IT.**



...manual operation and FM... at \$249.95.

...other system, model HF... in hardwood cabinet of... veneer with brushed... an FM/stereo/FM...

...wheel tuning and tone control with click stop.

The remainder of the line consists of four cassette AM/FM stereo combinations, five similar 8-track units, one new AM/FM stereo with automatic changer and one new Dolby 8-track record deck.

...separate... 45-watts-per-amp model 550 with 45-watts-per-channel output and model 850 integrated amplifier with a 65-watt-per-channel output. Model 850 tuner with AM/FM has also been unveiled.

In the audio product line's "professional" group, the Alpha II amplifier at 80 watts, RMS, per channel and a Beta II preamplifier have been added. Matching the direct radiation Alpha V and a Class A am-

Other... tape sp... counter... Super... CR-900... sleep tim... tor and... phone.

Now we're bringing it to home television. But only after we learned how popular it was as a coin-operated game. Even that wasn't enough. We consumer tested Stunt Cycle so we could make it more fun. To make it more fun, we added three more games: Motocross, Enduro and Drag Race.

With Stunt Cycle, we discovered people need a challenge. Every time their motorcycle crashed, whipped a wheelie or didn't beat the clock, they wanted to play again.

Stunt Cycle starts with eight buses and works up to thirty-two. It isn't easy to jump thirty-two buses. It takes skill, concentration and all the standard Atari features. Things like crisp on-screen scoring, accurate stop watch timing, color on color TV, real motor and crash sounds and simulated motorcycle handlebar grips.

We already know from pre-testing that Stunt Cycle is so challenging to play, the consumer loves it. Our consumer research demonstrated that of the people who played Stunt Cycle, over 38% intended to buy it.

So once again, all work and no play has payed off.



**STUNT CYCLE.
FOR OPENERS, NO ONE ELSE HAS IT**



See and hear for yourself. We've got the strongest line of television, personal electronics products and audio equipment we've ever offered. And we've built it all around merchandising.

WE INVENTED TANK 15,000,000 PEOPLE AGO.

After we watched people shoot at each other with our coin-operated Tank™ for years, we figured out how to make Tank an even gutsier video game. This year, we're bringing the improved version to home television and calling it Tank II!™ It's a fun game. Of course, each game is only a bottle. The war goes on forever.

Tank II has landmines and bunkers just like Atari's original coin-operated Tank game. Tank II also has the original Tank sounds, on-screen digital scoring, and true to life joy stick controls for maneuvering out of tight spots.

Tank II is a challenging game, as are all Atari games. The challenge is what's fun. And that's what an exciting video game is all about. That's why we pre-tested Tank II at every opportunity and kept improving it. If war wasn't hell, who'd play it?



flywheel tuning and tone control with click stop. The rest of the line consists of

The remainder of the line consists of four cassette AM/FM stereo combinations, five similar 8-track units, one new AM/FM stereo with automatic

New separates include an integrated amp model 550 with 45-watts-per-channel output and model 850 integrated amplifier with a 65-watt-per-channel output. Model 850 tuner with AM/FM has also been unveiled.

In the audio product line's "professional" group, the Alpha II amplifier at 80 watts, RMS, per channel and a

ANNOUNCING THE END OF PONG. INTRODUCING ULTRA PONG.

Last year, Atari's Super Pong™ achieved the highest consumer awareness of any video game ever made. But we thrive on challenge, so we thought of a way to beat ourselves.

Ultra Pong™ Doubles, with thirty-two paddle game variations for four players, is the ultimate color Pong™ game. And Ultra Pong (the two player version) has sixteen color game variations. Ready for the clincher? You'll be able to sell Ultra Pong at approximately 40% less than Super Pong sold for last year. Every feature that's made Pong a household word is included in Ultra Pong. Plus, we've added more challenging game variations and new sounds. So now everybody gets more fun for less.

Ultra Pong Doubles is the last word in Pong.



WE DON'T STOP WITH JUST MAKING VIDEO GAMES. WE HELP YOU SELL THEM.

From the day we invented Pong, we've known that creating exciting, challenging video games is one thing, helping you sell them, another. Our growth depends on your success. That's why last year, when other companies promised you the moon, we delivered what we promised.

OUR TV ADVERTISING CAMPAIGN IS THE STRONGEST IN THE INDUSTRY.

Last year, we had the largest television campaign in the video game industry. We spent several million dollars, saturated the target market, moved games off the shelves and made Atari the most recognized name in the market place. This year, we're doubling our coverage. The huge video game market will be pre-sold on Atari even before customers walk into your store to buy. We're going to run TV commercials on the major networks at prime viewing hours; on TV specials, movies, high rated TV series, NFL Football, NCAA Football, Walter Cronkite, John Chancellor, ABC, CBS and NBC.



WE STAY RIGHT WITH YOU UNTIL THE GAMES ARE SOLD OFF YOUR SHELF.

To support our advertising campaign, we're giving you merchandising support like you've never seen before. We've developed ad material sheets, statement stuffers, consumer brochures, dealer co-op ads, in-store posters and point of purchase displays.

Point of purchase displays that explain the games are critical in the overall selling effectiveness of Atari games, because your customers have to play the Atari games before they buy them. So we developed point of purchase displays that quickly and simply explain the games, so you don't have to. All this support adds up to the strongest advertising and merchandising campaign in the industry. By Christmas, you'll be selling so many Atari games, you won't need our help at all.



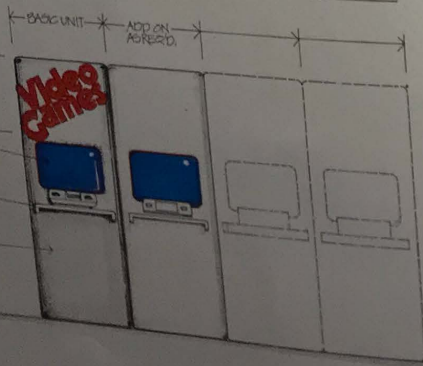
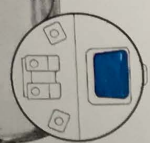
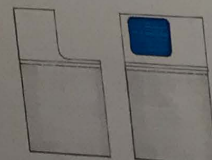
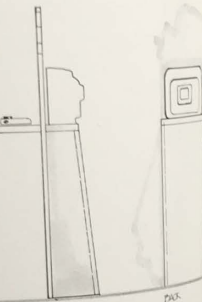
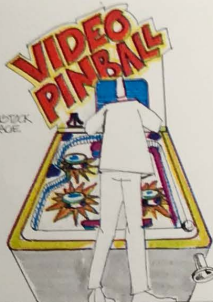
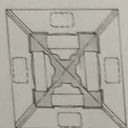
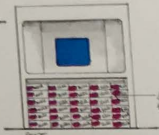
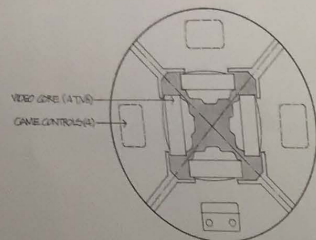
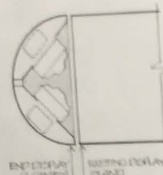
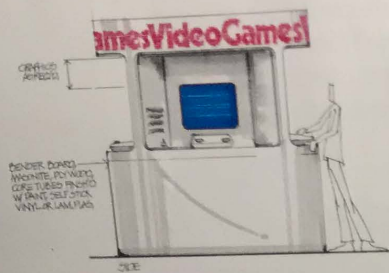
See and hear for yourself. We've got the strongest television, personal stereo, and a complimentary suite at the Hyatt Regency.

new separates include an integrated amp model 550 with 45-watts-per-channel output and model 850 integrated amplifier with a 65-watt-per-channel output. Model 850 tuner with flywheel tuning and tone control with click stop.

operation for auto click stop. The line consists of

WE'RE GOING TO HELP YOU MORE, BECAUSE YOU'VE HELPED US.

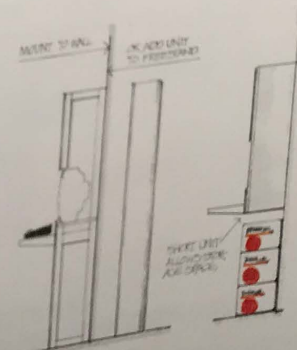
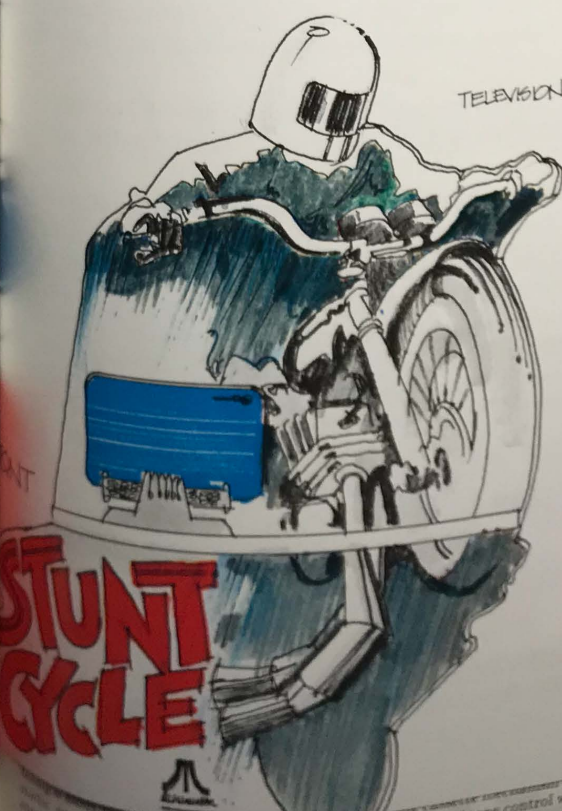
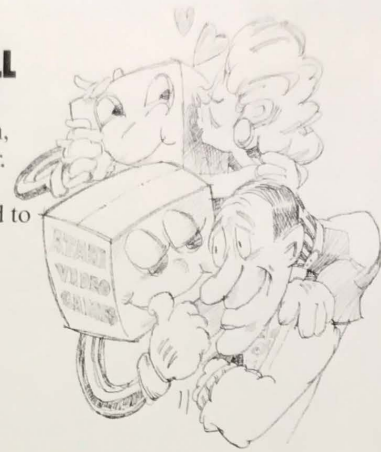
The following diagrams provide in-store layouts explaining the most effective ways we can think of to allocate video game space. Whether it's for one game or a full department, each plan is designed to utilize the smallest amount of space to sell the greatest amount of video games. That way, we both come out ahead. And that's the way the video game business should be.



See and hear for yourself. We've got television, personal

OUR NEW PACKAGES WILL SELL THEMSELVES.

Our new packaging screams fun, and it screams Atari loud and clear. That's important for you to know, because our packaging is designed to sell from the shelf.



New separates include an integrated amp model 550 with 45-watts-per-channel output and model 850 inter-channel output with a 65-watt-per-channel output. Model 850 tuner with channel output. Model 850 has also been unveiled. Superscope's other product line's "professional" amplifier

Superscope model C... Other features include tape speed control, three counter and FM muting. Superscope's other recorder CR-100, features PA/Play

MORE PEOPLE KNOW ABOUT US BECAUSE WE'RE ALWAYS BEING TALKED ABOUT.



No other video game company in the world has the built-in ingredients for press coverage like Atari does. It's a dramatic success story. And that's news. The kind of news that's intriguing to national magazines, radio, TV stations, talk shows and special feature newspaper sections. The growth of Atari, into the leader of the video game industry, has been written about in Time, Business Week, People, TV Guide and Playboy, to name a few. This year's concentrated publicity program is going to broaden the image of Atari even more than last year. It's another way we can help you. By creating consumer demand and awareness, we will ultimately make your sales job easier and quicker.

When all is said and done, the bottom line is this: Atari is the leader in the video game industry. Consider for a second the promises Atari can make that no one else can:

Atari can promise you video games that the consumer wants, because of extensive consumer pre-testing research and long-term success in the coin-operated market.

Atari can promise you that they're the recognized name in the industry among consumers, because Atari invented Pong.TM

Atari can promise you more national advertising and promotional support than anyone else, because Atari is number one in sales. And we plan to stay there.

Atari can promise you more craftsmanship and quality per game than anyone in the business. We can promise you original games, a wider selection of games, more challenging games, better designed games, and games that are more fun to play, because Atari is the only company that makes nothing but video games.

ATARI. WE TAKE FUN SERIOUSLY.



SALES DEPARTMENT, 1195 BORREGAS AVENUE, P.O. BOX 9027, SUNNYVALE, CA. 94089
ATARI CONSUMER PRODUCTS DIVISION, ATTENTION:
 DISTRIBUTED IN CANADA BY PARAGON ENTERTAINMENT PRODUCTS, INC.,
 5165 SHERBROOKE ST. WEST, MONTREAL, CANADA H4A1T6

Technic

SECAUC
 Panasonic ha
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 at \$149.95.

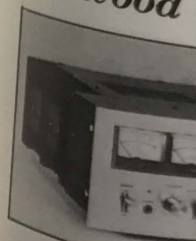
The unit's
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 pitch controls

Technics ha
 turntable at \$

In addition
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 deck at \$1,500
 grated ampli
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Other models
 clude two stere

Kenwood



Kenwood m
 GARDENA, C
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 line DC amplifier
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Bally®

makes the games people play

Bally Manufacturing Corporation, the world's leading producer of leisure time amusement games brings its technical research and innovative design

techniques to the fast growing consumer market with the incredible Bally Professional Arcade™

There isn't a home TV game that can match the fun details of the Bally Professional Arcade.

You begin with full arcade-quality with color (on any color TV), appropriate sound effects and music.

Baseball teams don't just occupy positions; they run on and off the field, with life-like running action.

Gunfighters have movable cacti to duck behind, and when they are hit, it's to the apt strains of Taps or The Funeral March. You can hear the sonar beeps of the submarines when you play Sea Wolf.

All playing figures have a full and complete 360° motion and this feature becomes the game in Checkmate. These innovative features

are available immediately either built into the programmable console or as optional Videocade™ electronic programs.

Any future Videocade available for the Bally Professional Arcade will always measure up to its professional-arcade counterpart.

The Bally Professional Arcade games lose nothing in the transition from arcade to home... and its better games are only the beginning.

It gives you a product light years ahead of the game, plus a name that is well known, dependable and associated with fun.

Bally® PROFESSIONAL

ARCade

LIGHT YEARS AHEAD OF THE GAME.

JUST WAIT TILL YOU GET US HOME.



THE BALLY PROFESSIONAL ARCADE™ LIGHT YEARS AHEAD OF THE GAME, WITH THE FIRST ARCADE-QUALITY VIDEO GAMES FOR THE HOME. EQUIPPED WITH 4 CONTROLS FOR 4-PLAYER FUN AND ACTION.

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VIDEOCADE 2001

280 Zzzap
and Dodgem

VIDEOCADE 2002

Sea Wolf
and Bombardier

Panzer Attack and
Red Baron

VIDEOCADE 2003

SPORTS SERIES:

VIDEOCADE 3001

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ATIONAL SERIES:

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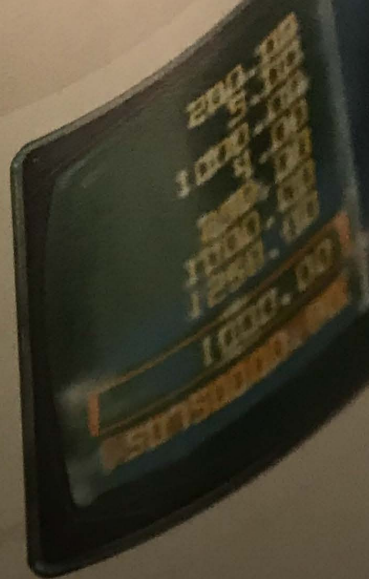
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LE ALSO INCLUDES PRINTING CALCULATOR

The Bally Professional Arcade works for its owner as well as entertains him. It's a sophisticated 4-function, 10-memory printing calculator with scroll button and entry correction, capable of reconciling bank balances, computing taxes and the like.



...digital clock radio
...me display, adjust-
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...for \$45.95.

...include model 7-
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...927 FM/AM tv
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...archer 2 Plus 2
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...an assort-
...model 3-
...with an-
...blanker

Miida
...the stereo specialist

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ARCADE WILL BE MORE
REMARKABLE TOMORROW.

FUTURE "VIDEOCADES"
WILL EXPAND
EACH SERIES AND
ALSO INCLUDE
AN ADDITIONAL
FUNCTIONAL SERIES
OF ELECTRONIC
PROGRAMS THAT
WILL HELP
YOU IN HOME
FINANCES,
BUSINESS,
EDUCATION
AND
THE ARTS.

LIGHT YEARS AHEAD

how you can share in the great

Available in
2001
2002
2003
2004

ILL SERIES:
280 Zzap
and Dodgem
Sea Wolf
and Bombardier
Panzer Attack and
Red Baron

ORTS SERIES:
Tornado Baseball
and Tennis,
Hockey, Handball

EDUCATIONAL SERIES:
Elementary Math
and Scribble

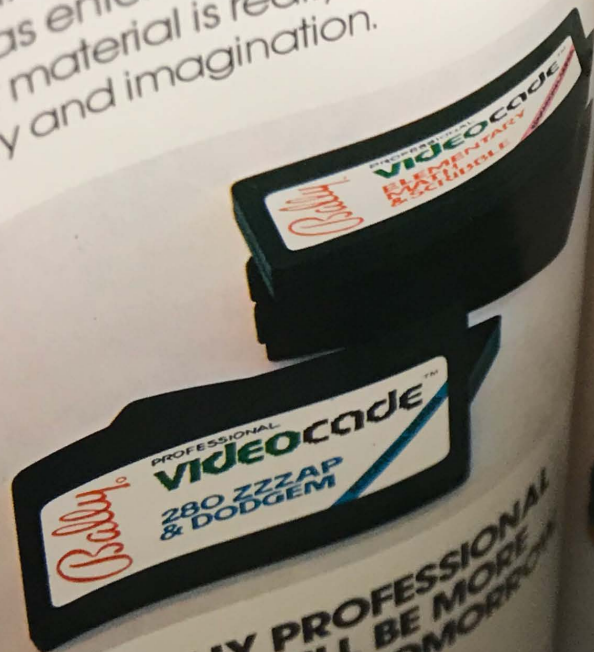
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VIDEO CAN NEVER BECOME OBSOLETE

about an advanced instrument of learning too
 Future Videocades will be educational
 as well as entertaining, and the range of
 subject material is really as limitless as man's
 curiosity and imagination.

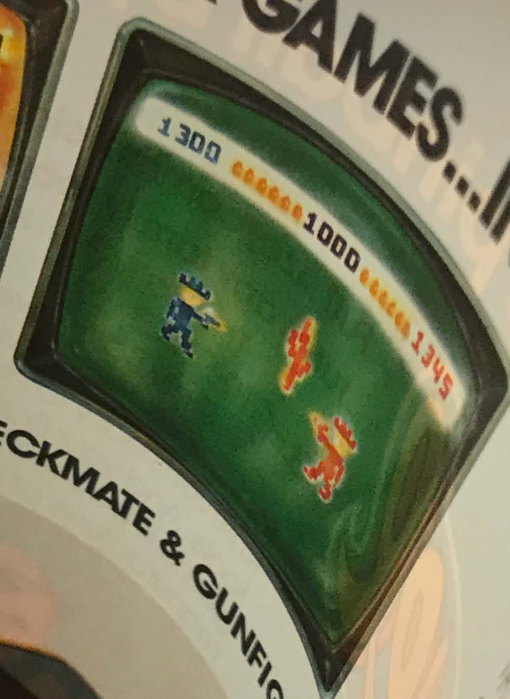
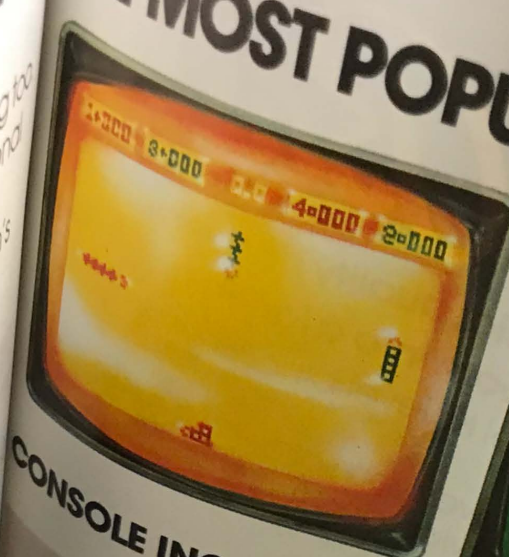


**THE BALLY PROFESSIONAL
 ARCADE WILL BE MORE
 REMARKABLE TOMORROW**

THE "VIDEOCADES"
 EXPAND
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 INCLUDE
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 THE
 HEAT

THE MOST POPULAR GAMES...IN THE MOST POPULAR

CONSOLE INCLUDES CHECKMATE & GUNFIGHT



Evel Knievel

Home pinball by Bally

Evel's greatest performance!

- Fully electronic operation with solid-state circuitry.
- Shatterproof, tempered glass.
- Diagnostic Check Switch tests functions automatically!
- Mini-computer, the exclusive Bally "Game Brain," tallies and remembers scores.
- 90-Day warranty.
- Adjustable game difficulty control.
- Automatic ball return keeps the action moving... just push a button, and you're ready to play again!
- Special third flipper adds action and extra skill shots.
- Commercial size (22" x 42") real wood playfield has all the color, action and excitement of amusement center games... flippers, bumpers, thumpers, flashing lights and bells.
- Up to 4 people can play at once for tournaments with family 'n' friends.
- Electronic, LED scoring readout with large numbers.
- Adjustable volume control for the game's dozen different tones 'n' tunes.



Bally

makes the games people play.

Bally Manufacturing Corporation, 2640 West Belmont Avenue, Chicago, Illinois 60618
© 1977 Bally Manufacturing Corporation Printed in U.S.A. No. 5548 77

Full size, commercial quality home pinball that turns any family room into a family fun center. The Bally Evel Knievel pinball is FULLY ELECTRONIC!

Only Bally gives you solid-state engineering for trouble-free service and fun. The Bally Evel Knievel is easy to assemble with simple household tools. And your Bally Evel Knievel home pinball game is backed by the world's largest manufacturer of commercial amusement games.

Pro

Texas Instruments, Inc. has premiered a new single sideband/AM microcomputer putting a set of controls in a small, lightweight package providing memory-selective calling.



TI's new base station

One microcomputer over commands all operations... TI's selective calling system... CBers to monitor pre-selected channels in total silence and allows place and receive calls on the... by pre-determined personal... call numbers.

Other features include "dialing" between TI CB radios via... signed codes; programmed... numbers on one-digit keyboard... manding the microcomputer... control head to find an occupie... fast; FLL circuitry providing... clarification of signals... TI CBs and automatic antenna... pling noise blanker.

The mobile unit, model SM... tails at \$325 with the base... model SB-173, at \$375.

General Electric

SYRACUSE, N.Y.—General Electric's audio electronics product... has premiered model... FM/AM electronic digital clock... with 6-in. LED time display, a... able clock brightness, adjustable... tone alarm, power outage i... tion and lighted slide-rule radi... Other GE en... 2014 FM... at \$375.

how you can share in the great opportunity ahead.

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You are also welcome to visit us in



—TV and TV Games

l clock radio, the Bill-
e of solid-state AM/FM
radios and portable radios
ices ranging from \$44.95

also shown its modular
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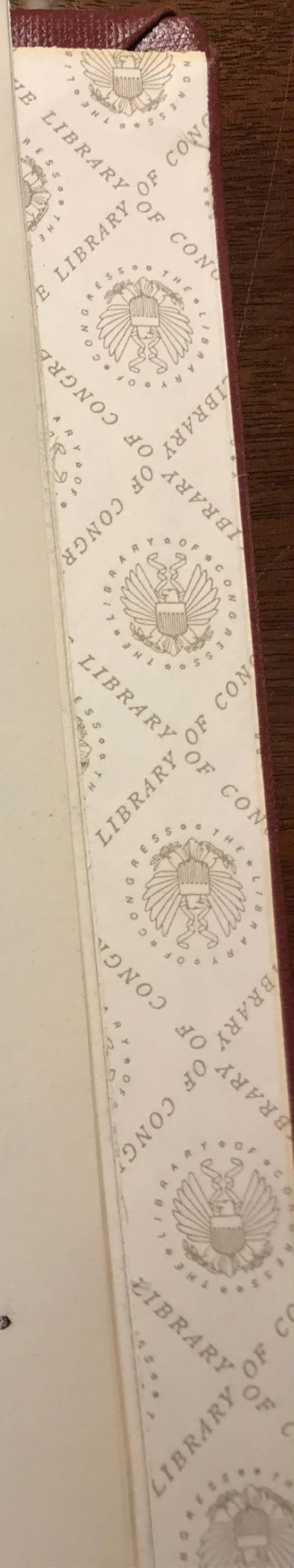
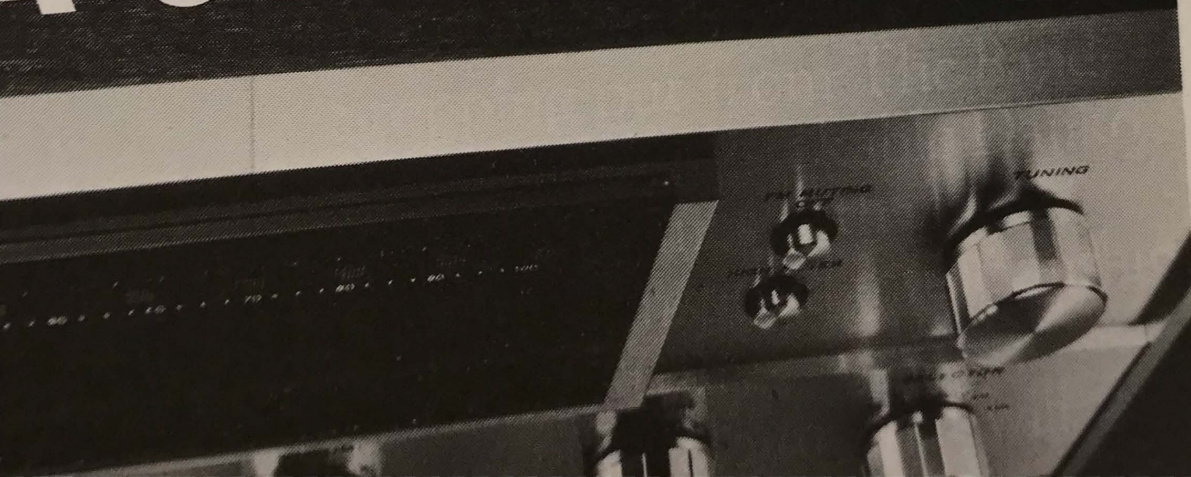
Coleco Industries

HARTFORD, Conn.—From Coleco Industries, Inc. comes the Telestar Arcade programmable microprocessor game.

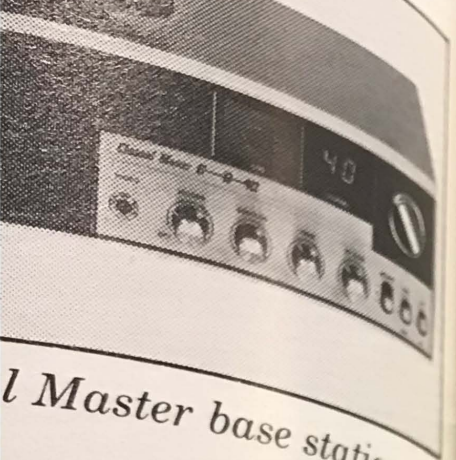
Including road race, quick draw and tennis, the game also offers steering wheel and shift lever for road race, video activated target pistol in holster for Quick Draw and on-screen digital display scoring.

Additional cartridges, which are inserted into the tri-dimension console, will be available, to use, according to Coleco. The unit sells for \$99.

**MAXELL CASSETTE
E YOU MORE
A \$300 RECEIVER.**



STER
LLE, N.Y.—Channel
s premiered the Command
0-channel base station CB



l Master base station
with phase lock loop cir-

for \$199.95, the CB6831
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MERCHANDISING

In other sizes, the
model SJ1321
\$399.95 to the open-listed Manet
units from the open-listed
model J1912W) to the top-of-the-line
Ellipse IV (model SJ1951W) at
\$399.95; 23-in. units from \$599.95 to
\$799.95 and 25-in. sets at \$679.95 to
consoles which are open listed.
The two television/stereo combina-
tion consoles are open-listed.

Zenith offers new decorator-
styled cabinets, containing an im-
proved all solid-state chassis. New 12-
in. portables also offer improved elec-
tronic circuitry for better picture per-
formance.

Twelve-in. newcomers range from
model J121 offered in avocado, ebony

MIKE

MADISON HEIGHTS, Mich.—Mi-
croelectronic Systems Corp. has de-
buted five black-and-white and full
color tv games with and without re-
motes.

The line features a black-and-white
game model, Super Pro, that can be
promoted at \$19.95; a full color multi
sports unit, the challenger, to retail at
\$29.95; a full color Champion model
with remotes for \$49.95; a color twin
console unit, the Ricochet, at \$69.95
and a microprocessor Ricochet at
\$159.

JUNE, 1977

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-TV and TV Games

Rounding out the line are two conventional 19-in. units: the CT-927 with lighted channel indicator for \$429 and the CT-917 with features similar to the present CT-916 at about \$399.

The four newly designed black-and-white models are the P-80 which replaces the P-55; the P-42 which replaces the P-08; the P-41 which replaces the P-05 and the P-40 which replaces the P-04.

Hitachi has also added two portable cassette recorders; an AM/FM portable cassette recorder and an AM/FM clock radio featuring a digital LED time display.

Atari, Inc.

SUNNYVALE, Calif.—Atari, Inc. has introduced a computer-directed video game, with sound and color, at \$189.95.

The programmable unit, called the Video Computer System, comes complete with a game program cartridge which includes a combat package of Tank, Tank Pong and Jet Fighter with steerable and non-steerable missiles, cloud formations and multiple fighter vs. bomber combinations.

Additional game programs include Indy 500, Video Olympics, Air and Sea Battle, Space Mission and Street Racer.

VCS features two "joy stick" controls, player difficulty option, color or black-and-white control, on-screen digital scoring and action game sounds.

Atari has also introduced Video Pinball at \$74.95; Stunt Cycle at \$72.95; Tank II at \$64.95 and Ultra Pong and Ultra Pong Doubles at \$42.95 and \$52.95 respectively.

Bally

FRANKLIN PARK, Ill.—Bally's new Professional Arcade home tv entertainment center incorporates a fully programmable microprocessor unit with a four-function, 10-memory printing keyboard calculator, full screen display, scroll button and entry correction.

Available with two games, Checkmate and Gunfight, the unit, requiring no batteries, has a cassette mode to play additional games and learning programs, available optionally in Bally Videocade electronic program cassettes.

Melco Sales

COMPTON, Calif.—Melco Sales, Inc.'s new 21- and 25-in. MGA color television models feature 110-degree deflection, black-stripe single-gun picture tubes, varactor tuning with six-function remote control, low power chassis and automatic circuitries for brightness and sharper contrast.

Melco has also debuted model CS-1994 19-in. model without remote control or varactor tuning for \$530.

Sylvania / Saba

STAMFORD, Conn.—A television set that...

The Gus

At \$2 it's go At \$9 it's a v profit

Gusdorf builds it all—audio and TV stands and carts (hi-boys and low-boys)—traditional and contemporary pedestals (swivel and caster models)—microwave oven carts. Gusdorf—your total source for home entertainment furniture.

Sony's new Betamax home video recorder. The new Betamax home video recorder, Trinitron Plus color tv models including a 21-in. remote control unit; one black-and-white television; 12 radios, including CB models; two tape recorders and two compact stereo music systems.

The new Betamax home recorder, model SL-8200, has two hours as well as one hour of record-and-play capability.

Retailing at \$1,300, including an op-

The tape two-hour operation is in existing one-hour circuitry, the Sony newly developed System, is also used Noise Reduction System, clear pictures in the deck for stable, clear pictures.

Among the new television sets are the remote control top-of-the-line 21-in. KV-2141R at \$819.95; model KV-8000 portable 8-in. unit at \$479.95; model KV-1204A 12-in. at \$399.95;



Sony's new Betamax



Here's a brand new reason we're way ahead of the game.

Introducing Missile Attack. The newest portable electronic game from Mattel Electronics. The first company to put electronic entertainment in the palm of your hand.

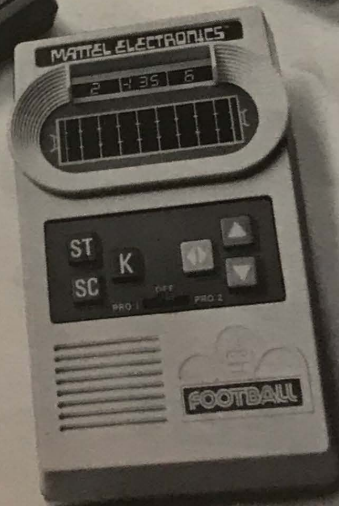
Now we've got three games. All battery-powered and self-contained. So you don't need a TV hookup or any outside accessory.

The Fun Side of Our Games.

Match your skill against the maneuvers of a real thinking computer.

- Brand new Missile Attack. Computer-controlled missiles attack your city. Retaliate with your rockets. Push the fire button. Intercept. Save your city or the game plays "Taps"!
- Football. It's your ball. Weave through tough computer-controlled tacklers. They're closing in...gotcha! Last down. You fake left...sweep right...Touchdown!

- Auto Race. The clock is ticking. Steer clear of computer-controlled obstacles! Shift lanes. Shift gears. Look out! Avoid those pile-ups. Set a record time!



The Serious Side of Our Games.

Our portable games may be pocket-size, but we plan to make them highly visible.

- Count on prime-time network TV this fall. On the big sports events and movies.
- Heavy concentration of spot TV in the top 21 markets.
- Impressive in-store displays that let your customers try their hand at demonstrator models. No contest. They'll get hooked!

Get On the Inside of Our Games.

Get a firsthand look at all our electronic games at the Consumer Electronic Show. Booths 1358 and 1360. Or call us at (213) 644-0411. Ask for Loren Hildebrand.

With Mattel Electronics, you're way ahead of the game. Don't get left behind.

MATTEL ELECTRONICS™

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Happenings

RCA to renew push on XL-100 consoles, plans to beef up ColorTrak campaign

LAS VEGAS—RCA is giving renewed promotional push to its XL-100 line of color consoles this year in order to create "a better balance between XL-100 and ColorTrak, Roy Pollack, vice president and general manager, consumer electronics div., told the press at the firm's international sales meeting here. ColorTrak, RCA's deluxe profit line, will be backed by an even stronger merchandising thrust than last year. The XL-100 series is being marketed as the firm's "value line."

"We have built in more value and promotion to re-establish XL-100 as the value part of our line," said Jack Sauter, divisional vice president-marketing.

Stepping into the promotional console market, RCA has introduced three new 25-in. XL-100 consoles, with the leader model, GB682W, priced to sell at \$629.95; models GB684L and GB688S carry suggested retails of \$649.95.

The new line of 25's also includes 23 consoles and two table models in the "ColorTrak" group.

RCA will move into the second half with two heavy 25-in. model promotions. The first, for XL-100, called "Better than Ever Bonus Time," to be held July 14-Aug. 13—"to move the XL-100's ahead of the season"—offers consumers \$50 "direct from RCA" rebates on the purchase of XL-100 consoles.

The drive will be supported by substantial promotion including national print and broadcast advertising, local newspaper ads, as well as point-of-purchase material.

As part of the campaign, consumers will also be eligible for a \$10 rebate on 16- and 19-in. black-and-white "Sportables."

The second promotion, "Trades Fantastic," will be shifted and extended this year—Aug. 25-Oct. 1. The campaign features trade-in allowances ranging from \$50-\$100 on 25-in. "ColorTrak" table models and consoles.

Sales promotion includes in-store merchandising aids, direct mailers, and local advertising. "Trades Fantastic" will also be promoted nationally.

While prices have remained essentially the same as last year on 25-in. units, selective \$10-\$20 increases have been instituted, the company said.

Addressing the question of pricing in general, Pollack said the firm anticipates an "increase drift" in prices, adding, "we think we have earned price increases based on value improvements, but the buyer determines the prices, not the seller. We have to be realistic on a competitive basis."

Sauter told dealers that 1977 is "well on its way to being a record year for the industry as well as for RCA," with total color sales projected to be 8.5 million "and very possibly more."

RCA will introduce its "elegant and feature-laden" 4-hour VCR on a national basis in September, according to Sauter, who said that in addition to

the deck, a full accessory package would be available, including camera, microphone, stand and blank tapes. The unit, which will bear the "Select-aVision" name, as well as be identified as using the Matsushita VHS format, will premiere supported by an exceedingly strong promotion, according to Sauter.

Zenith unveils upbeat color tv predictions, videocassette unit at distributor meeting

LAS VEGAS, Nev.—Upbeat projections for 1977 color tv sales (conservatively estimated at 8.7 million units), the showing and demonstration of its videocassette recorder slated for fall national introduction and feature step-ups in its audio line highlighted Zenith's national distributor convention here last month.



At the Zenith meeting (l. to r.) Robert F. Pierce, director of audio product planning; Walter C. Fisher, president of Zenith Sales Co. Div.; Robert S. Bowen, vice president-marketing and international, Zenith Radio, and Gerald M. McCarthy, director of tv product planning.

And the meeting was capped by a 45-minute "cloak and dagger" discourse by John Nevin, Zenith Radio president, taking the audience through all of the secret and not-so-secret stages of import competition which prompted Zenith and other domestic

—Line Showings

ceeding strong promotion, according to Sauter.

In other areas, Pollack said that RCA plans to return to the audio market at a future time but would not comment further except to say that the date was not imminent.

increases and that console stereos were actually priced downward despite feature additions.

All of the Zenith managers and executives stressed repeatedly their intentions to be ultra aggressive this year in every product area promotionally and in marketing.

Other convention notes:

- If the four-hour cassette works, Zenith will have the capability to offer such a unit in its VCR conformation.

- There are still problems with the videodisc and Zenith has not fixed an introductory date. But tape and disc are not competitive and there is a place in the market for a disc system once the technical and production problems have been resolved.

- The industry needs price increases badly and it is possible that further increases on color tv will be upcoming this year (possibly between 5%-8%).

- A massive tv campaign will be launched on Sept. 3 revolving primarily around sports programs—including Monday night football. Print campaigns will also appear in major consumer publications. And liberalized co-op programs were announced, with special attention to the audio end of the business.

Peek at Zenith VCR

Pioneer Electronics to back new Centrex compacts with largest campaign ever

NEW YORK—Under the banner of